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Report of Independent Auditors

To the Commissioners of the
Metropolitan Transportation Commission:

In our opinion, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Metropolitan Transportation Commission (MTC) which collectively comprise MTC's basic financial statements as listed in the table of contents, present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of MTC at June 30, 2011 and 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of MTC's management. Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

The accompanying management's discussion and analysis appearing on pages 2 through 14 and the budgetary comparison and funding status information identified in the table of contents under *Required Supplementary Information* and appearing on pages 85 through 89 of this report are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise MTC's basic financial statements. The supplementary schedules identified in the table of contents under *Other Supplementary Information* and appearing on pages 91 through 112 of this report are presented for purposes of additional analysis and are not a required part of the basic financial statements. These supplementary schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The charts, schedules and other information identified in the table of contents under *Statistical Section* and appearing on pages 114 through 130 of this report have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

PricewaterhouseCoopers LLP

October 3, 2011

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Management's Discussion and Analysis

This section presents an overview of the financial activities of the Metropolitan Transportation Commission (MTC), as well as its blended and discretely presented component units as discussed separately below for the years ended June 30, 2011 and 2010. Except as otherwise stated, all amounts described below are expressed in thousands of dollars – '000 removed.

A. Financial Highlights

Fiscal 2011 was another difficult year for MTC as it was for the nine-county region, state and nation as a whole. One highlight was the region's unemployment rate improved slightly from the previous fiscal year. Work is well under way on projects funded with federal stimulus money, including the Doyle Drive Replacement project and the Caldecott Tunnel Fourth Bore.

Following are some of the highlights from fiscal year 2011:

- Climate Initiative Innovative grants/Safe Routes to School grants were approved for $33 million.
- MTC hosted forums with Envision Bay Area on future land development and housing growth.
- The region's smart card program was branded and launched as Clipper®, formerly known as TransLink®, and weekday boardings averaged 460,000 for the month of June 2011.
- The Bay Area Toll Authority (BATA) increased its toll rates on the seven Bay Area bridges effective July 1, 2010 for two-axle vehicles, implemented a new carpool charge, and implemented congestion pricing on the Bay Bridge. There will be an increase in the multi-axle vehicles over a two-year period beginning July 1, 2011.
- The one millionth customer account was opened for the FasTrak® electronic toll collection program.
- The Bay Area's first Express Lane, on I-680, opened in September 2010.
- Sales tax revenue increased in the region after two declining years.
- BATA issued its second and third set of Build America Bonds (BABs) in July and November 2010. BATA receives a rebate of 35 percent of the interest expense on the taxable bonds from the U.S. government.

Despite ongoing economic issues, MTC and its operating units continue to provide valuable regional resources in seismic and transportation projects to help the region recover. All MTC operating units, MTC, BATA and MTC Service Authority for Freeways and Expressways (MTC SAFE), managed to adopt 2010-2011 budgets without staff layoffs or significant reduction to MTC service levels.

B. Overview of Government-Wide Financial Statements

The government-wide financial statements provide an overview of MTC, as well as its blended and discretely presented component units. The government-wide financial statements comprise a Statement of Net Assets, a Statement of Activities, and accompanying footnotes. The Statement of Net Assets presents information on the government-wide assets and liabilities of MTC at the end of the 2011 and 2010 fiscal years. The difference between the assets and liabilities is reported as "Net Assets." The Statement of Activities presents government-wide information showing the change in net assets resulting from revenues earned and expenses incurred during the 2011 and 2010 fiscal years. All changes in net assets are recorded as revenues are earned and expenses are incurred, regardless of the timing of related cash flows.

MTC is composed of governmental and business-type funds and activities, as well as one discretely presented component unit. The governmental funds are comprised of the general fund, the special revenue funds and the capital project funds. The business or proprietary funds are MTC Clipper®, BATA, MTC SAFE, and the Bay Area Infrastructure Financing Authority (BAIFA).

MTC Clipper® is an enterprise fund that oversees the region's smartcard program. BATA and MTC SAFE are blended component units (legally separated) whose transactions are presented as if they were business-type funds. BAIFA is a discretely presented component unit on the government-wide financial statements. MTC also holds and administers three fiduciary funds. These funds are further described in section C below and in Note 1A to the Financial Statements.

The government-wide Statement of Net Assets and Statement of Activities are presented on pages 15-18 of this report with the accompanying footnotes being presented on pages 35-83.

C. Overview of the Fund Financial Statements

i.) Governmental Funds

Governmental funds are used to account for the MTC activities and are supported primarily by grants, contributions, sales taxes, and intergovernmental revenue sources. Governmental funds provide additional information not provided in the government-wide statements in that they focus on the annual inflows and outflows of resources as well as on the balance of resources available to be spent at fiscal year-end rather than the longer term focus of governmental activities as seen in the government-wide financial statements. The governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance provide a reconciliation to facilitate this comparison of governmental funds to governmental activities.

MTC's governmental funds include a general fund, three major special revenue funds and other non-major funds. The financial statements of the governmental funds, prepared under the modified accrual basis of accounting are on pages 19-25 of this report. A schedule detailing the non-major special revenue funds are included on pages 91-92 of this report.

MTC adopts annual budgets for all funds. However, a comparison of budget-to-actual is required only for certain governmental funds (major funds) and these are presented on pages 85-88 of this report. A comparison of budget to actual is also presented for non-major funds on pages 93-97.

ii) Proprietary Funds

Proprietary funds are used to report business-type activities. MTC has three proprietary funds, MTC Clipper®, BATA and MTC SAFE. BATA and MTC SAFE are presented as blended component units of MTC as if they were proprietary funds on the government-wide and fund financial statements because they meet the GASB Statement No. 14 criteria for doing so. MTC administers the Clipper® program. This program handles the implementation and ongoing operations of the Bay Area smart card. This system allows transit riders to pay fares on transit systems throughout the Bay Area utilizing a single "smart" fare card when boarding bus, light rail, train or ferry transportation. BATA oversees the administration of toll collection and maintenance activities for the seven state-owned bridges in the San Francisco Bay Area and administers Regional Measure 1 (RM 1) and Regional Measure 2 (RM 2) capital improvement programs approved by the voters in 1988 and 2004, respectively. BATA has oversight responsibilities over the seismic toll revenue as well as the retrofit program. MTC SAFE administers a freeway motorist aid system providing tow truck and call box services to stranded motorists in the nine Bay Area counties.

The financial statements of the proprietary funds are prepared on an accrual basis and are on pages 26-33.

iii) Fiduciary Funds

Fiduciary funds are used to account for resources held in a trust or agent capacity for the benefit of parties outside MTC. These funds are not reflected in the government-wide financial statements, as the resources cannot be used to support the programs of MTC or those of its component units. The fiduciary funds of MTC use the economic resources measurement focus and the accrual basis of accounting.

MTC reports on three fiduciary funds, Transportation Development Act (TDA), BART Half-Cent Sales Tax (AB 1107), and the Clipper® funds. Revenue for the first two of these funds is derived from sales tax revenues. The revenues for the TDA fund are deposited in MTC's name as fiduciary with the respective treasurer in each of the nine counties in the region. The revenues for the AB 1107 fund are deposited with the State of California. MTC has administrative oversight for the allocation of these funds. The Clipper® fiduciary fund is used for the Clipper® smart card program. This fund tracks the cash balances and receivables held on behalf of the Clipper® program as well as the patron liability for the prepaid card balance.

The fiduciary funds financial statement is presented on page 34 of this report.

iv) Discretely Presented Component Unit

The Bay Area Infrastructure Financing Authority (BAIFA) was established in August 2006, as a separate public entity pursuant to the California Joint Exercise of Power Act, to plan capital projects and obtain funding in the form of grants, contributions, appropriations, loans and other assistance. BAIFA applies funds received to pay debt service on bonds issued by BAIFA to finance or refinance the related capital improvement projects. BAIFA is presented as a proprietary fund in the discretely presented component unit column of the government-wide financial statement as it does not meet the criteria for blending under the provisions of GASB Statement No. 14.

D. Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

E. Government-Wide Financial Analysis

Total government-wide liabilities exceeded total assets for fiscal 2011 by $4,085,039 while total government-wide liabilities exceeded assets by $3,259,874 for fiscal 2010 as illustrated in the following table. This represents a decrease in net assets for fiscal 2011 of $825,163 and a decrease of $569,846 for fiscal 2010. The cause of the net asset deficit is the impact of BATA financing the bridge toll projects while BATA does not own or maintain title to the bridges. As such, the asset value is recorded at the State of California and not on BATA's books. This deficit will be reduced through operating income earned in the future as the toll revenue debt is retired and the projects are completed.

i.) Statement of Net Assets

The following table shows a portion of the MTC's government-wide statements of net assets for the last three years:

Metropolitan Transportation Commission's Statement of Net Assets ($000)

	Governmental Activities			Business-Type Activities			Total		
	2011	2010	2009	2011	2010	2009	2011	2010	2009
Cash and investments	$ 790,583	$ 434,395	$ 300,012	$ 3,658,393	$ 2,603,997	$ 2,110,180	$ 4,448,976	$ 3,038,392	$ 2,410,192
Receivables	29,882	35,445	48,074	51,116	22,462	11,643	80,998	57,907	59,717
Other assets & deferred outflows	8,302	8,147	7,977	260,591	346,907	385,863	268,893	355,054	393,840
Loan to other agency	21,000	29,000	37,000	-	-	-	21,000	29,000	37,000
Capital assets	7,515	7,946	8,443	17,825	18,199	12,779	25,340	26,145	21,222
Total assets and deferred outflows	857,282	514,933	401,506	3,987,925	2,991,565	2,520,465	4,845,207	3,506,498	2,921,971
Other liabilities	47,711	37,883	63,102	478,893	414,451	335,978	526,604	452,334	399,080
Long term liabilities	476,450	22,829	30,679	7,927,191	6,291,211	5,182,242	8,403,641	6,314,040	5,212,921
Total liabilities	524,161	60,712	93,781	8,406,084	6,705,662	5,518,220	8,930,245	6,766,374	5,612,001
Net assets:									
Invested in capital assets, net of related debt	7,277	7,936	8,393	17,825	18,199	12,779	25,102	26,135	21,172
Restricted	332,378	467,544	329,243	200,000	200,000	293,873	532,378	667,544	623,116
Unrestricted	(6,534)	(21,259)	(29,911)	(4,635,985)	(3,932,296)	(3,304,407)	(4,642,519)	(3,953,555)	(3,334,318)
Total net assets / (deficit)	$ 333,121	$ 454,221	$ 307,725	$ (4,418,160)	$ (3,714,097)	$ (2,997,755)	$ (4,085,039)	$ (3,259,876)	$ (2,690,030)

Cash and investments increased by $1,410,584 from 2010 to 2011 and increased by $628,200 from fiscal 2009 to fiscal 2010. The increase in fiscal 2011 is mainly the result of proceeds from BATA's toll revenue bond issuances. The increase on the governmental activities is from the proceeds of a one time payment to MTC from BATA in lieu of the annual transit transfers for the next fifty years. See Note 1.O for more information on the transaction. In fiscal year 2010, BATA issued toll revenue bonds which contributed to the increase in cash and investments and also the State Transit Assistance (STA) revenue of $144,121 released by the State of California in late June 2010 which contributed to the increase in the governmental activities.

Long-term liabilities increased by $2,089,602 or 33.1 percent in fiscal 2011and increased by $1,101,119 or 21.2 percent in fiscal 2010. The net increase in fiscal 2011 is due to the issuances of $2,385,000 in toll revenue bonds less $38,695 classified as current from long-term debt, $104,074 decrease in the fair value of the derivative liability, and $150,000 payable to BAIFA reclassified as a current liability. The increase in fiscal 2010 is due to the $1.3 billion issuance of toll revenue bonds less $37 million of debt classified as current from long term due to the expected repayment in the following fiscal year 2011, and the $153,000 payable to BAIFA reclassed as a current liability.

In fiscal year 2007, BATA entered into a contribution agreement with the BAIFA. Under the contribution agreement, BATA pledged and irrevocably assigned to BAIFA $1,135,000 of future state payments representing part of the State of California's share for the seismic retrofit and replacement program. The state payments to BATA are determined by State legislation. In December 2006, BAIFA issued notes called State Payment Acceleration Notes (SPAN) of $972,320. As BATA incurs expenses for the seismic projects, BAIFA reimburses BATA from the note proceeds. The transactions are accounted for under GASB Statement No. 48 on "Sales and Pledges of Receivables and Future

Revenues and Intra-Entity Transfers of Assets and Future Revenues." The long-term liability due to BAIFA is $243,090 and $393,090 as of fiscal 2011 and 2010, respectively.

Other liabilities increased by $74,270 or 16.4 percent in fiscal 2011 compared to an increase of $53,254 or 13.3 percent in fiscal 2010. The increase in fiscal 2011 is mainly due to an increase in accrued interest payable for the bonds of $38,845, an increase in prepaid toll tag liabilities of $10,200, and an increase of $11,132 for payables and accrued liabilities. The increase in 2010 is mainly due to an increase of $54,000 in the BAIFA scheduled payment from BATA.

The net deficit increased by $825,163 or 25.3 percent in 2011 following an increase of $569,846 or 21.1 percent in 2010. The increase in the net deficit for both fiscal years is mainly from the drawdowns of the Seismic Retrofit, RM 1, and RM 2 capital programs. BATA is the financing arm for the Regional Measures 1, 2, and Seismic Retrofit programs. The bond proceeds from these debt obligations are used to reimburse Caltrans for capital construction costs on the seven state-owned toll bridges. Since the bridges are not capitalized under BATA and title remains with Caltrans, the combination of distributions to Caltrans and increased debt to pay for project expenditures creates a negative asset, or deficit. Future toll revenues are pledged to cover debt service payments. This information is more fully described in Note 2 of this report. The decrease in the governmental activities is due to expenditures paid from the STA fund when the revenue was paid from the State of California in the prior year.

ii) Statement of Activities

The net assets for governmental activities decreased in fiscal 2011 and the net deficit for business-type activities increased for the same period. The decrease in net assets for governmental activities is mainly a reduction in the STA reserve for expenditure reimbursements to the operators for revenue recorded the previous year in fiscal 2011. The increase in net assets for governmental activities is mostly due to the increase of $109 million of federal and state revenue in fiscal 2010. The increase in the net deficit for business-type activities is the result of BATA project financing and expense activities for both fiscal years. A breakdown of this activity is illustrated in the table on the following page.

Metropolitan Transportation Commission's Statement of Activities ($000)

	Governmental Activities			Business-Type Activities			Total		
	2011	2010	2009	2011	2010	2009	2011	2010	2009
Revenues:									
Program revenues:									
Charges for services	$ -	$ -	$ -	$ 622,906	$ 486,889	$ 492,963	$ 622,906	$ 486,889	$ 492,963
Operating grants and contributions	74,274	249,436	146,844	281,918	131,872	53,490	356,192	381,308	200,334
Capital grants and contributions	-	10,673	-	327	-	-	327	10,673	-
General revenues:									
Investment earnings	2,856	2,185	5,785	33,453	(14,865)	149	36,309	(12,680)	5,934
Total revenues	77,130	262,294	152,629	938,604	603,896	546,602	1,015,734	866,190	699,231
Expenses:									
General government	78,611	97,260	86,672	-	-	-	78,611	97,260	86,672
Allocations to other agencies	149,092	54,852	99,153	-	-	-	149,092	54,852	99,153
Toll bridge activities	-	-	-	1,543,207	1,266,615	1,299,135	1,543,207	1,266,615	1,299,135
Clipper® smart card	-	-	-	52,048	-	-	52,048	-	-
Congestion relief	-	-	-	17,939	17,309	14,363	17,939	17,309	14,363
Total expenses	227,703	152,112	185,825	1,613,194	1,283,924	1,313,498	1,840,897	1,436,036	1,499,323
Inc/(Dec) in net assets before transfers	(150,573)	110,182	(33,196)	(674,590)	(680,028)	(766,896)	(825,163)	(569,846)	(800,092)
Transfers in/(out)	29,473	36,314	28,003	(29,473)	(36,314)	(28,003)	-	-	-
Increase/(decrease) in net assets	(121,100)	146,496	(5,193)	(704,063)	(716,342)	(794,899)	(825,163)	(569,846)	(800,092)
Net assets/(deficit) - Beginning	454,221	307,725	312,918	(3,714,097)	(2,997,755)	(2,202,856)	(3,259,876)	(2,690,030)	(1,889,938)
Net assets/(deficit) - Ending	$ 333,121	$ 454,221	$ 307,725	$ (4,418,160)	$ (3,714,097)	$ (2,997,755)	$ (4,085,039)	$ (3,259,876)	$ (2,690,030)

Management does not believe that Governmental Funds and Business-Type Activities are comparable for analytical purposes. While the combined schedules show a total picture of MTC responsibilities, the two activities must be seen in their respective parts to evaluate MTC's financial results. State and federal laws restrict MTC's various funding sources to specific responsibilities that cannot be combined or commingled. Additional explanation is included in the business-type activities as well as the schedule of governmental funds.

F. Financial Analysis of Business-Type Activities

The following table shows the results of operations for the last three years.

Business-Type Activities ($000)	Bay Area Toll Authority			MTC SAFE			MTC Clipper
	2011	2010	2009	2011	2010	2009	2011
Revenues:							
Toll revenues collected by Caltrans	$ 597,362	$ 466,086	$ 470,136	$ -	$ -	$ -	$
Other operating revenues	17,589	14,926	16,829	5,680	5,877	5,998	2,274
Total revenues	614,951	481,012	486,965	5,680	5,877	5,998	2,274
Operating expenses:							
Operating expenses incurred by Caltrans/Transbay JPA	26,103	27,226	28,610	-	-	-	
Other operating expenses	91,288	78,535	72,963	16,182	13,235	13,630	19,372
Total operating expenses	117,391	105,761	101,573	16,182	13,235	13,630	19,372
Operating income/(loss)	497,560	375,251	385,392	(10,502)	(7,358)	(7,632)	(17,098)
Non-operating revenues/(expenses)							
Investment income/(charges)	33,446	(14,874)	21	6	9	128	-
BABs interest subsidy	72,639	18,682					
Interest expense	(395,621)	(224,821)	(197,742)	-	-	-	-
Financing fees	(18,574)	(14,740)	(14,442)	-	-	-	-
Loss on swap termination	(15,683)	(80,588)	-	-	-	-	-
Other non-operating expense	(10,014)	(2,243)	(2,333)		-	-	-
Operating grants	158,708	102,239	46,244	11,882	10,952	7,247	39,017
Distrib to other agencies for capital purposes	(985,924)	(838,462)	(983,046)	(1,757)	(3,920)	(733)	(32,676)
Other	-	-	-	(0)	(155)	-	-
Total non-operating revenues/(expenses)	(1,161,023)	(1,054,807)	(1,151,298)	10,131	6,886	6,642	6,341
Income/(loss) before transfers	(663,463)	(679,556)	(765,906)	(371)	(472)	(990)	(10,757)
Transfers	(40,280)	(34,663)	(26,710)	(902)	(1,651)	(1,293)	11,710
Change in net assets	(703,743)	(714,219)	(792,616)	(1,273)	(2,123)	(2,283)	953
Total net assets/(deficit) - beginning	(3,732,683)	(3,018,464)	(2,225,848)	18,586	20,709	22,992	-
Total net assets/(deficit) - ending	$ (4,436,426)	$ (3,732,683)	$ (3,018,464)	$ 17,313	$ 18,586	$ 20,709	$ 953

BATA is the largest of MTC's business-type activities and one of the highest-rated toll enterprises in the country.

BATA's toll revenue increased by $131,276 in fiscal 2011 and decreased by $4,050 in fiscal 2010. The total number of paid toll vehicles for all bridges increased by 6.86 percent (paid carpool vehicles accounted for 5.35 percent of the increase) in fiscal 2011 after a drop of .85 percent in fiscal 2010. The toll revenue increase was primarily due to a one dollar toll increase on two-axle vehicles and a $2.50 toll on carpool vehicles effective July 2010. In fiscal year 2010, the San Francisco-Oakland Bay Bridge was closed on Labor Day to install the last piece of a temporary bypass. The bridge was also closed for several days for emergency repairs. The two events resulted in estimated revenue loss of $3 million in fiscal 2010. Detailed traffic counts are available in the Statistical Section, Table 8.

BATA's other operating revenue, consisting primarily of toll violation payments, increased by $2,663 in fiscal 2011 compared to a decrease of $1,903 in fiscal 2010. The increase in fiscal 2011 is due to toll violators in the carpool lanes. Fiscal 2009 was actually higher than normal because it included collections from prior years while fiscal 2010 included collections for a single year. As an added means of controlling toll evasion, BATA installed a new violation system that was implemented in February 2010.

BATA's total operating expenses rose by $11,630 or 11.0 percent in fiscal 2011 and $4,188 or 4.1 percent increase for fiscal 2010. The increase in fiscal 2011 is due to the increases in: professional fees of $2,628, allocation to other agencies of $6,463 for RM 2 capital projects and other operating expenses of $1,967. The increase in professional fees and other operating expenses was the result of the increases in Electronic Toll Collection (ETC) operations and bank charges resulting from the toll changes. The increase in Vallejo ferry service to San Francisco caused the allocations to other agencies to increase. The main component of the increase in expenses for fiscal 2010 is due to an increase in the purchase of toll tags of $3,868. This increase in demand was in anticipation of charging a toll for carpoolers effective July 1, 2010.

BATA's investment income for fiscal 2011 increased by $48,320 compared to a decrease of $14,895 in fiscal 2010. The increase in 2011 is generated mainly from a larger cash balance on hand. The decrease in fiscal 2010 is due to a combination of lower interest rates and lower cash balances. In fiscal 2011, interest income was comprised of $12,059 of investment income and $21,387 of unrealized gains on hedge termination. In fiscal 2010, interest charge was comprised of $8,678 of investment income and offset by $23,552 of unrealized losses on hedge termination. The $21,387 gain and $23,552 loss in 2011 and 2010, respectively, represent a credit and a charge for the change in the market valuation of certain swaps that no longer qualify for hedge accounting as discussed in Note 1.Q to the financial statements.

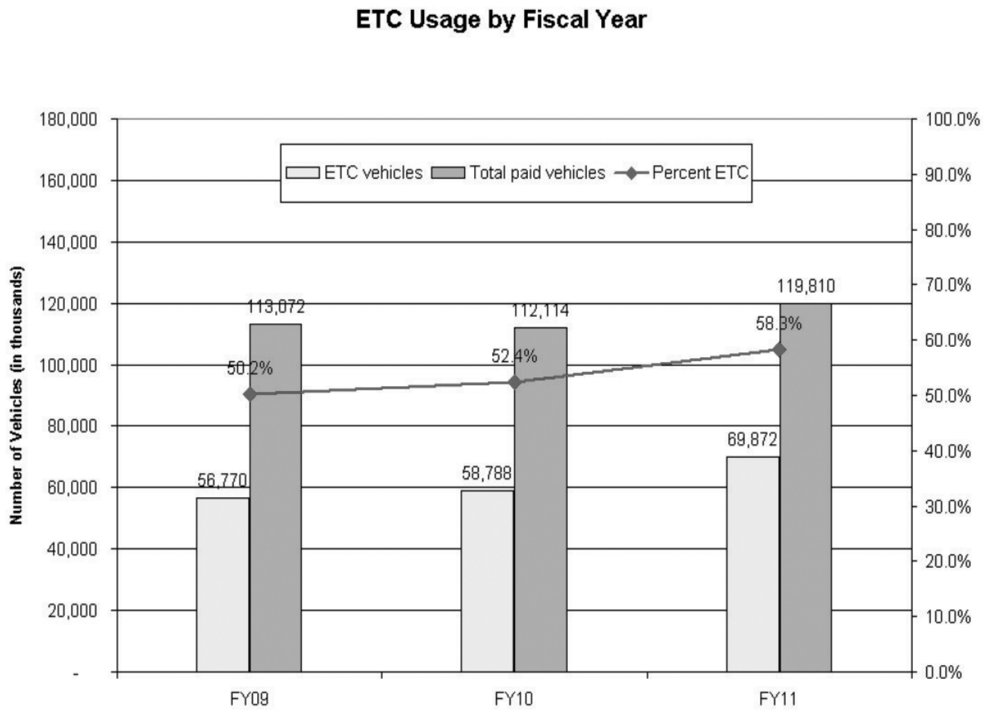
BATA's BABs interest subsidy includes the federal subsidy from the U. S. Government. The increase in fiscal 2011 reflects more BABs issued subsequent to fiscal 2010; the first BABs issuance was in November 2009.

BATA's interest expense increased by $170,800 and $27,079 for fiscal 2011 and 2010, respectively. The issuance of the 2010 Series S1-S3 bonds contributed to the increase in fiscal 2011. In fiscal 2010, the increase was attributed to the issuance of the 2009 Series F2 fixed rate bonds. As a result of swap terminations, BATA recognized a loss on swap termination expense of $15,683 in 2011 and $80,588 in fiscal 2010. There was one swap termination in fiscal 2011 and all of the Ambac swaps were terminated in fiscal 2010.

BATA's financing fees and other non-operating expense increased by $11,605 and $208 in 2011 and 2010, respectively. The increase in fiscal 2011 includes a legal settlement to Ambac of $7.5 million and an increase in facility fees. The increase in fiscal 2010 is due to an increase in the facility fees.

BATA's operating grants increased by $56,469 in 2011 and $55,995 in 2010. The increase in both years is mainly due to the increase in the schedule of payment from the State of California of $54,000 and $56,00 in 2011 and 2010, respectively.

Revenue collections from the FasTrak® electronic toll program continue to increase. ETC revenue comprised 58.3 percent of the total paid vehicles in fiscal 2011 compared to 52.4 percent in the prior fiscal year. The increase in FasTrak® usage in the current fiscal year is due mainly to an increase in new customers for the new carpool charge that went into effect at the start of this fiscal year. The graph on the next page illustrates the increase in electronic toll collection usage for the last three years.



The growth in ETC processing has had the positive impact of improving traffic flow on the bridges, but has the side effect of increasing toll violations.

MTC SAFE operating revenues (DMV fees) decreased by $197 or 3.3 percent in fiscal year 2011 and by $121 or 2.0 percent in fiscal 2010. In fiscal 2011 and fiscal 2010, revenue decreased the most in Santa Clara County.

Operating expense for MTC SAFE increased by $2,947 or 22.3 percent in 2011 and decreased by $395 or 2.9 percent in 2010. The increase in 2011 is due to increases in professional fees of $1,148, salaries and benefits of $1,262, towing expenses of $311 and other operating expenses of $457. The increase in salaries and benefits and professional fees is due to the Freeway Performance Initiative project being moved from MTC to MTC SAFE. The net decrease in operating expense for fiscal 2010 is due mainly to lower towing costs of $287 due to lower fuel costs.

Interest income decreased by $3 in fiscal 2011 and decreased by $119 in fiscal 2010. The decrease in both years is mainly due to low cash balances. The Local Assistance Program grant for fiscal 2011 was not awarded until late in fiscal 2011, which caused a higher accounts receivable balance and a lower cash balance.

The MTC Clipper® enterprise fund was established during the 2011 fiscal year, so there are no comparatives to the prior year. This fund includes the Clipper® operating and capital expenditures. The cash held for the Clipper® smart card and the liability to the patrons is reported as an agency fund in the "Other Supplementary Information section", Schedule 13.

G. Financial Analysis of Governmental Funds

The fund balance of the MTC governmental funds was $321,828 and $442,169 as of June 30, 2011 and 2010, respectively, as reported under the modified accrual basis of accounting. The fund balance includes nonspendable amounts of $918 and $763 for prepaid items in fiscal 2011 and 2010, respectively, and amounts of $292,711 and $417,864 restricted for transportation and rail projects for fiscal 2011 and 2010, respectively. The committed amounts of $10,365 and $12,534 for fiscal 2011 and 2010, respectively, represent amounts designated by the Commission for specific purposes. The unassigned fund balances of $17,834 and $11,009 for fiscal 2011 and 2010, respectively, represents unassigned funds available for appropriation at the discretion of the MTC Board.

The fund balance of the STA fund decreased by $135,095 for fiscal 2011 and increased by $119,377 for fiscal 2010. The changes for the two fiscal years are related to the $144 million State Transit Assistance (STA) revenue the State of California paid in June 2010 and recorded in fiscal 2010 while the payment covered fiscal years 2011 and 2010, and the expenditures were recorded in fiscal 2011. The fund balance for the Rail Reserves fund increased by $10,202 for fiscal 2011 and increased by $3,719 for fiscal 2010. The fiscal 2011 increase is due to the three main capital projects (BART to Warm Springs, e-BART, and the Oakland Airport Connector) that have been allocated funds, but the expenditures have not been incurred yet. The fiscal 2010 increase is mainly due to the Oakland Airport Connector project that had not yet incurred expenditures for this fund. The fund balance for the AB 664 fund increased by $452 in fiscal 2011 and decreased by $652 in fiscal 2010. The increase for fiscal 2011 is mainly due to a reduction in expenditures for capital projects from the previous year.

The following table illustrates the revenues and expenditures for the past three fiscal years. Refer to page 25 for the reconciliation of the governmental funds to the Statement of Activities.

	Governmental Funds ($000)		
	2011	2010	2009
Revenues:			
Sales taxes	$ 9,644	$ 8,824	$ 9,848
Grants - Federal	48,819	63,559	41,426
Grants - State	5,392	148,976	61,796
Local agencies revenues and refunds	18,419	46,755	33,774
Investment income	2,856	2,185	5,785
Total revenues	85,130	270,299	152,629
Expenditures:			
Current:			
General government	72,612	70,100	64,358
Allocations to other agencies	162,266	66,875	107,027
Capital outlay	66	22,538	13,542
Total expenditures	234,944	159,513	184,927
Transfers in	29,473	36,314	28,003
Net change in fund balance	(120,341)	147,100	(4,295)
Fund balance - beginning	442,169	295,069	299,364
Fund balance - ending	$ 321,828	$ 442,169	$ 295,069

Total revenue decreased $185,168 or 68.5 percent in fiscal 2011 and increased by $117,670 or 77.1 percent in fiscal 2010. The total revenue decrease in fiscal 2011 and increase in fiscal 2010 is due mainly to the timing of the STA revenue. MTC's sales tax revenue increased by $820 or 9.3 percent in fiscal 2011, compared to a decrease of $1,024 or 10.4 percent in fiscal 2010. All nine counties' sales tax revenue increased for fiscal 2011, while all nine counties' sales tax revenue for fiscal 2010 decreased from the previous fiscal year. Overall, governmental fund expenditures increased by $75,431 in fiscal 2011 and dropped by $25,414 in fiscal 2010. General government expenditures increased by $2,512 in fiscal 2011 and increased by $5,742 in fiscal 2010. The fiscal 2010 increase is due to an increase in Surface Transportation Program reimbursement activity of $4,508 for the congestion management agencies and a contribution of $710 to the Other Post Employment Benefit (OPEB) trust account in fiscal 2010. More information on the pre-funding of the OPEB liability is provided in Note 9 to the financial statements. Allocations to other agencies increased by $95,390 or 142.6 percent for fiscal 2011 compared to a decrease of $40,152 or 37.5 percent for fiscal 2010. The increase in fiscal 2011 is due to the late release of STA revenue in June 2010 resulting in a larger number of allocations in fiscal 2011.

The capital outlay expenditures decreased by $22,472 in fiscal 2011 and increased by $8,996 in fiscal 2010. The decrease in fiscal 2011 is due to the completion of Clipper® program activities performed in the MTC governmental fund. The increase in 2010 is largely due to the San Francisco Faregate project funded by the American Recovery and Reinvestment Act (ARRA) capital grant for the Clipper® program.

Transfers decreased by $6,841 in fiscal 2011 and increased by $8,311 in fiscal 2010. The decrease in fiscal 2011 is due to completion of Clipper® program activities performed in the MTC governmental fund. The transfer from the RM 2 allocation for the Clipper® program of $7,728 for fiscal 2010 did not occur in the current fiscal year. The increase in fiscal 2010 is a result of an RM 2 allocation to fund Clipper® operating and capital expenditures in fiscal 2010.

The change in net assets presented in the Statement of Activities for governmental activities decreased by $119,130 in fiscal 2011. Net assets for governmental funds were $333,121 and $454,221 for fiscal years 2011 and 2010, respectively. Program revenues decreased by $185,834 or 71.4 percent in fiscal 2011, and increased by $113,265 or 77.1 percent in fiscal 2010. The decrease in fiscal 2011 is a result of the release of STA funds for fiscal years 2011 and 2010 in June 2010. In addition, Capital Grant Revenue from the ARRA Capital Grant of $327, which is used by the Clipper® program, is reflected in the proprietary fund for fiscal 2011. The fiscal 2010 increase was due to increases in transportation operating grants and general government revenues of $87,180 and $15,412, respectively, and the receipt of an ARRA Capital Grant of $10,673.

H. General Fund Budget

The MTC general fund budget for fiscal 2011 was amended from the adopted budget by $11 million in decreased revenues, $2 million in increased transfers and $15 million in decreased expenditures. The actual revenue-to-expenditure balance for fiscal 2011 reflects a surplus of $4,095. This surplus is due to an underestimate of sales tax revenue of $644, an underestimate of BATA 1% administrative fee of $365, and STA revenue received in the general fund for encumbrances carried and expended the following year of $1,823. There was also a carryover of unused planning funds from the prior year of $1.2 million.

The following provides a condensed view of the final budgeted results compared to actual results for the year ended June 30, 2011.

General Fund ($000)

	Adopted Budget	Final Budget	Actual	Variance
Revenues	$ 136,909	$ 125,526	$ 63,652	$ (61,874)
Expenditures	159,285	144,271	69,559	74,712
Excess/(Deficiency)	(22,376)	(18,745)	(5,907)	12,838
Transfers in	20,248	18,091	10,002	(8,089)
Net change in fund balance	(2,128)	(654)	4,095	4,749
Fund balance - beginning	19,466	19,466	19,466	-
Fund balance - ending	$ 17,338	$ 18,812	$ 23,561	$ 4,749

MTC's federal and state funding sources are on a reimbursement basis, so it is not unusual for revenue to lag behind the budget. Actual expenditures were also well below budget because several major programs were budgeted but were not completed during the fiscal year.

I. Capital Asset Administration

MTC's investment in capital assets for all funds, governmental and proprietary, is $25,340 for fiscal 2011 and $26,145 for fiscal 2010 as reported under the accrual basis of accounting. Most of the $805 decrease in fiscal 2011 is due to fewer purchases for the toll collection system that is being developed. Most of the fiscal 2010 increase of $4,923 is due to the capitalization of the new toll collection system that is being developed. Additional information on MTC's capital assets is disclosed in Note 4 of the financial statements. Assets relating to the seven state-owned bridges administered by BATA are recorded by Caltrans.

J. Long-Term Debt Administration

During fiscal 2011, BATA issued $1.975 billion of Federally Taxable Build America Bonds (BABs) Toll Revenue Bonds and $410 million of tax-exempt bonds, all subordinated debt. BATA also terminated one of its swaps and amended the agreements with five of its other swap counterparties. BATA will receive a direct Federal Subsidy payment for the BABs in the amount equal to 35% of the BABs' interest expense.

Component Unit – BAIFA In December 2006, BATA entered into a contribution agreement with the BAIFA. Under the contribution agreement, BATA pledged and assigned its rights to future scheduled payments of $1,135,000 from the State of California to BAIFA. Annual payments to BAIFA are scheduled through year 2014. The amount represents a part of the state's share of the Seismic Retrofit and Replacement Program. In the same month, BAIFA issued State Payment Acceleration Notes (SPANs) of $972,320. BAIFA deposited a portion of the bond proceeds of $887,991 in the project fund for reimbursement to BATA for the seismic project expenses in return for the pledged revenues. BAIFA used the remaining note proceeds for deposit in the Pledged Revenue Fund, Reserve Fund or payment for the cost of issuance. BAIFA has already reimbursed BATA for all the proceeds from the SPANs in the project fund for the costs of seismic retrofit projects. BAIFA also has received $520,000 of the $1,135,000 revenue scheduled to be paid by the state through BATA.

Additional information on MTC's long-term debt can be found in Note 5 of this report.

K. Economic Factors impacting MTC

The Bay Area economy has been impacted by high unemployment and a high number of home foreclosures, but retail sales have increased from the prior year. These impacts include:

- Sales tax revenue increased this fiscal year by 9.3 percent after two declining years in a row in 2010 and 2009 of 10.4 percent and 8.8 percent, respectively. This was preceded by increases in sales tax revenue since fiscal year 2004. Sales tax revenue for fiscal 2012 is projected to be slightly higher than fiscal year 2011.
- The economic recovery for the region still continues to be slow. Home sales are still slow and foreclosures are still high.
- Delays in federal re-authorization could adversely impact MTC's planning funds.
- Unemployment in the Bay Area is a continued concern as it is at 10.2 percent as of June 2011.
- The condition of the State of California's budget can potentially have a cash flow impact on MTC.
- Local governments and transit operators also continue to struggle to balance their budgets with lower expected revenues.

Requests for information

This financial report is designed to provide a general overview of the Metropolitan Transportation Commission's financial position for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Metropolitan Transportation Commission, 101 8th Street, Oakland, CA 94607.

Metropolitan Transportation Commission
Statement of Net Assets
June 30, 2011

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Bay Area Infrastructure Financing Authority
ASSETS AND DEFERRED OUTFLOWS				
Cash and cash equivalents - unrestricted	$ 430,566,291	$ 373,298,848	$ 803,865,139	$ -
Cash and cash equivalents - restricted	1,066,949	1,639,023,629	1,640,090,578	196,502,064
Investments - unrestricted	265,747,825	533,116,839	798,864,664	-
Investments - restricted	93,201,531	1,112,953,975	1,206,155,506	36,487,782
Receivables:				
Accounts receivable	5,142,529	6,591,432	11,733,961	-
Due from Bay Area Toll Authority	-	-	-	393,061,972
Interest	269,795	25,208,119	25,477,914	851,598
State and Caltrans funding	3,406,045	8,831,870	12,237,915	-
Funding due from federal agency	21,063,632	10,483,142	31,546,774	-
Prepaid items	917,724	359,478	1,277,202	-
Deferred charge	-	422,556	422,556	-
Bond issuance costs	-	74,852,191	74,852,191	6,880,059
Loan to other agency	21,000,000	-	21,000,000	-
OPEB Prefunding	7,384,385	-	7,384,385	-
Deferred outflows on derivative instruments	-	184,449,727	184,449,727	-
Derivative instruments - asset	-	507,207	507,207	-
Capital assets not being depreciated	16,395	4,396,700	4,413,095	-
Capital assets net of accumulated depreciation	7,498,800	13,428,131	20,926,931	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	857,281,901	3,987,923,844	4,845,205,745	633,783,475
LIABILITIES AND DEFERRED INFLOWS				
Accounts payable and accrued liabilities	21,790,892	143,925,386	165,716,278	-
Accrued interest payable	-	99,167,888	99,167,888	14,388,395
Unearned revenue	-	52,398,744	52,398,744	-
Due to Caltrans	-	19,128,115	19,128,115	-
Noncurrent liabilities:				
Long term debt				
Due within one year	-	38,695,000	38,695,000	-
Due in more than one year	-	7,895,945,529	7,895,945,529	723,064,236
Due to/(from) other funds				
Due within one year	24,393,675	(24,393,675)	-	-
Due in more than one year	474,369,673	(474,369,673)	-	-
Due to BAIFA				
Due within one year	-	149,971,510	149,971,510	-
Due in more than one year	-	243,090,462	243,090,462	-
Other noncurrent liabilities				
Due within one year	1,526,374	-	1,526,374	-
Due in more than one year	2,080,623	262,524,245	264,604,868	-
TOTAL LIABILITIES AND DEFERRED INFLOWS	524,161,237	8,406,083,531	8,930,244,768	737,452,631
NET ASSETS/(DEFICIT)				
Invested in capital assets, net of related debt	7,276,536	17,824,831	25,101,367	-
Restricted for:				
Capital projects	298,998,689	-	298,998,689	-
Operations and Maintenance, under debt covenant	-	150,000,000	150,000,000	-
Extraordinary loss reserve, under Caltrans Coop	-	50,000,000	50,000,000	-
Long-term loan and interest receivable	21,000,000	-	21,000,000	-
OPEB Prefund	7,384,385	-	7,384,385	-
STA Reserve	1,953,808	-	1,953,808	-
Other purposes	3,041,184	-	3,041,184	-
Unrestricted	(6,533,938)	(4,635,984,518)	(4,642,518,456)	(103,669,156)
TOTAL NET ASSETS/(DEFICIT)	$ 333,120,664	$(4,418,159,687)	$(4,085,039,023)	$ (103,669,156)

The accompanying notes are an integral part of these financial statements.

Metropolitan Transportation Commission
Statement of Net Assets
June 30, 2010

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Bay Area Infrastructure Financing Authority
ASSETS AND DEFERRED OUTFLOWS				
Cash and cash equivalents - unrestricted	$ 247,501,899	$ 1,419,466,930	$ 1,666,968,829	$ -
Cash and cash equivalents - restricted	41,768,267	187,310,953	229,079,220	142,614,085
Investments - unrestricted	93,037,722	578,448,251	671,485,973	-
Investments - restricted	52,087,090	418,771,035	470,858,125	30,857,307
Receivables:				
Accounts receivable	155,479	2,662,508	2,817,987	-
Due from Bay Area Toll Authority	-	-	-	546,066,041
Interest	174,232	14,435,084	14,609,316	493,145
State and Caltrans funding	3,828,978	4,888,325	8,717,303	-
Funding due from federal agency	31,285,855	476,655	31,762,510	-
Prepaid items	762,512	542,325	1,304,837	-
Bond issuance costs	-	72,837,271	72,837,271	8,011,028
Loan to other agency	29,000,000	-	29,000,000	-
OPEB Prefunding	7,384,385	-	7,384,385	-
Deferred outflows on derivative instruments	-	263,198,577	263,198,577	-
Derivative instruments - asset	-	10,328,500	10,328,500	-
Capital assets not being depreciated	73,056	5,061,478	5,134,534	-
Capital assets net of accumulated depreciation	7,873,161	13,137,359	21,010,520	-
TOTAL ASSETS AND DEFERRED OUTFLOWS	514,932,636	2,991,565,251	3,506,497,887	728,041,606
LIABILITIES AND DEFERRED INFLOWS				
Accounts payable and accrued liabilities	27,478,849	62,154,298	89,633,147	-
Accrued interest payable	-	60,322,464	60,322,464	15,468,666
Security trade payable	-	30,000,000	30,000,000	-
Unearned revenue	-	42,198,309	42,198,309	-
Due to Caltrans	-	38,765,314	38,765,314	-
Noncurrent liabilities:				
Long term debt				
Due within one year	-	36,990,000	36,990,000	17,020,000
Due in more than one year	-	5,564,437,681	5,564,437,681	768,444,247
Due to/(from) other funds				
Due within one year	8,954,476	(8,954,476)	-	-
Due in more than one year	21,000,000	(21,000,000)	-	-
Due to BAIFA				
Due within one year	-	152,975,580	152,975,580	-
Due in more than one year	-	393,090,461	393,090,461	-
Other noncurrent liabilities				
Due within one year	1,449,686	-	1,449,686	-
Due in more than one year	1,828,756	354,682,318	356,511,074	-
TOTAL LIABILITIES AND DEFERRED INFLOWS	60,711,767	6,705,661,949	6,766,373,716	800,932,913
NET ASSETS/(DEFICIT)				
Invested in capital assets, net of related debt	7,935,616	18,198,837	26,134,453	-
Restricted for:				
Capital projects	423,910,614	-	423,910,614	-
Operations and Maintenance, under debt covenant	-	150,000,000	150,000,000	-
Extraordinary loss reserve, under Caltrans Coop	-	50,000,000	50,000,000	-
Long-term loan and interest receivable	29,000,000	-	29,000,000	-
OPEB Prefund	7,384,385	-	7,384,385	-
STA Reserve	2,734,027	-	2,734,027	-
Other purposes	4,515,294	-	4,515,294	-
Unrestricted	(21,259,067)	(3,932,295,535)	(3,953,554,602)	(72,891,307)
TOTAL NET ASSETS/(DEFICIT)	$ 454,220,869	$(3,714,096,698)	$(3,259,875,829)	$ (72,891,307)

The accompanying notes are an integral part of these financial statements.

Metropolitan Transportation Commission
Statement of Activities
For the Year Ended June 30, 2011

		Program Revenues				Net (Expenses) Revenue and Changes in Net Assets: Primary Government			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Program Revenues	Governmental Activities	Business-type Activities	Total	Bay Area Infrastructure Financing Authority
Functions:									
Primary Government:									
Governmental Activities:									
General government	$ 78,610,828	$ -	$ 68,882,258	$ -	$ 68,882,258	$ (9,728,570)	$ -	$ (9,728,570)	$ -
Transportation	149,092,421	-	5,392,001	-	5,392,001	(143,700,420)	-	(143,700,420)	-
Total Governmental Activities	227,703,249	-	74,274,259	-	74,274,259	(153,428,990)	-	(153,428,990)	-
Business-type Activities:									
MTC Clipper® smart card	52,047,730	2,274,345	38,689,253	327,301	41,290,899	-	(10,756,831)	(10,756,831)	-
Toll bridge activities	1,543,206,649	614,951,279	231,346,247	-	846,297,526	-	(696,909,123)	(696,909,123)	-
Congestion relief	17,939,280	5,680,296	11,882,287	-	17,562,583	-	(376,697)	(376,697)	-
Total Business-type Activities	1,613,193,659	622,905,920	281,917,787	327,301	905,151,008	-	(708,042,651)	(708,042,651)	-
Total Primary Government	$ 1,840,896,908	$ 622,905,920	$ 356,192,046	$ 327,301	$ 979,425,267	(153,428,990)	(708,042,651)	(861,471,641)	-
Component Units:									
BAIFA	$ 31,431,554	$ -	$ 653,705	$ -	$ 653,705				$ (30,777,849)
General Revenues:									
Restricted investment earnings						408,234	-	408,234	-
Unrestricted investment earnings						2,448,004	33,452,209	35,900,213	-
Transfers						29,472,547	(29,472,547)	-	-
Total General Revenues and Transfers						32,328,785	3,979,662	36,308,447	-
Change in Net Assets						(121,100,205)	(704,062,989)	(825,163,194)	(30,777,849)
Net Assets - Beginning						454,220,869	(3,714,096,698)	(3,259,875,829)	(72,891,307)
Net Assets - Ending						$ 333,120,664	$(4,418,159,687)	$(4,085,039,023)	$ (103,669,156)

The accompanying notes are an integral part of these financial statements.

Metropolitan Transportation Commission
Statement of Activities
For the Year Ended June 30, 2010

		Program Revenues				Net (Expenses) Revenue and Changes in Net Assets — Primary Government			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Program Revenues	Governmental Activities	Business-type Activities	Total	Bay Area Infrastructure Financing Authority
Functions:									
Primary Government:									
Governmental Activities:									
General government	$ 97,259,761	$ -	$ 100,460,127	$ 10,672,699	$ 111,132,826	$ 13,873,065	$ -	$ 13,873,065	$ -
Transportation	54,851,617	-	148,975,842	-	148,975,842	94,124,225	-	94,124,225	-
Total Governmental Activities	152,111,378	-	249,435,969	10,672,699	260,108,668	107,997,290	-	107,997,290	-
Business-type Activities:									
Toll bridge activities	1,266,614,630	481,011,541	120,920,173	-	601,931,714	-	(664,682,916)	(664,682,916)	-
Congestion relief	17,309,069	5,877,350	10,952,027	-	16,829,377	-	(479,692)	(479,692)	-
Total Business-type Activities	1,283,923,699	486,888,891	131,872,200	-	618,761,091	-	(665,162,608)	(665,162,608)	-
Total Primary Government	$ 1,436,035,077	$ 486,888,891	$ 381,308,169	$ 10,672,699	$ 878,869,759	107,997,290	(665,162,608)	(557,165,318)	-
Component Units:									
BAIFA	$ 34,014,910	$ -	$ 1,521,009	$ -	$ 1,521,009				$ (32,493,901)
General Revenues:									
Restricted investment earnings						221,925	-	221,925	-
Unrestricted investment earnings						1,962,684	(14,865,703)	(12,903,019)	-
Transfers						36,313,842	(36,313,842)	-	-
Total General Revenues and Transfers						38,498,451	(51,179,545)	(12,681,094)	-
Change in Net Assets						146,495,741	(716,342,153)	(569,846,412)	(32,493,901)
Net Assets - Beginning						307,725,128	(2,997,754,545)	(2,690,029,417)	(40,397,406)
Net Assets - Ending						$ 454,220,869	$(3,714,096,698)	$(3,259,875,829)	$ (72,891,307)

The accompanying notes are an integral part of these financial statements.

Metropolitan Transportation Commission
Balance Sheet — Governmental Funds
June 30, 2011

	General	AB 664 Net Toll Revenue Reserve	STA	Rail Reserves	Non-major Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents - unrestricted	$ 7,796,033	$ 160,298,019	$ 43,115,096	$ 152,561,357	$ 66,795,786	$ 430,566,291
Cash and cash equivalents - restricted	-	-	-	-	1,066,949	1,066,949
Investments - unrestricted	214,541	113,266,015	-	147,268,831	4,998,438	265,747,825
Investments - restricted	-	-	-	-	93,201,531	93,201,531
Receivables						
Accounts	742,529	-	-	-	4,400,000	5,142,529
Interest	1,686	27,730	75,604	119,739	45,036	269,795
State and Caltrans funding	3,404,171	-	-	-	1,874	3,406,045
Federal funding	20,505,055	-	-	-	558,577	21,063,632
Due from other funds	10,640,174	-	-	-	544,763	11,184,937
Prepaid items	917,724	-	-	-	-	917,724
TOTAL ASSETS	$ 44,221,913	$ 273,591,764	$ 43,190,700	$ 299,949,927	$ 171,612,954	$ 832,567,258
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable and accrued expenditures	$ 15,869,834	$ 4,117,143	$ 1,102,448	$ 34,752	$ 666,715	$ 21,790,892
Due to other funds	4,790,683	236,688,123	129,389	190,975,639	56,364,451	488,948,285
TOTAL LIABILITIES	20,660,517	240,805,266	1,231,837	191,010,391	57,031,166	510,739,177
FUND BALANCES						
Nonspendable:						
Prepaid items	917,724	-	-	-	-	917,724
Restricted for:						
Transportation projects	1,953,808	32,786,498	41,958,863	-	12,761,273	89,460,442
Rail projects	-	-	-	108,939,536	94,311,020	203,250,556
Committed to:						
Benefits reserve	1,063,761	-	-	-	-	1,063,761
Building reserve	-	-	-	-	499,769	499,769
Liability reserve	559,930	-	-	-	-	559,930
Transportation projects	1,231,773	-	-	-	7,009,726	8,241,499
Unassigned:						
Unassigned	17,834,400	-	-	-	-	17,834,400
TOTAL FUND BALANCES	23,561,396	32,786,498	41,958,863	108,939,536	114,581,788	321,828,081
TOTAL LIABILITIES AND FUND BALANCES	$ 44,221,913	$ 273,591,764	$ 43,190,700	$ 299,949,927	$ 171,612,954	$ 832,567,258

The accompanying notes are an integral part of these financial statements.

Metropolitan Transportation Commission
Reconciliation of the Balance Sheet — Governmental Funds to the Statement of Net Assets
June 30, 2011

Governmental fund balance	$	321,828,081
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		7,515,195
Other Post Employment Benefit (OPEB) prefund assets		7,384,385
Capital leases are not due and payable in the current period and therefore are not reported in the funds		(238,659)
Compensated absences are not due and payable in the current period and therefore are not reported in the funds		(3,368,338)
Other long-term assets are not available for current-period expenditures and, therefore, are deferred in the funds		21,000,000
Other long-term liabilities are not available for current-period expenditures and, therefore, are deferred in the funds		(21,000,000)
Net assets of governmental activities	$	333,120,664

The accompanying notes are an integral part of these financial statements.

Metropolitan Transportation Commission
Balance Sheet — Governmental Funds
June 30, 2010

	General	AB 664 Net Toll Revenue Reserve	STA	Capital Projects	Non-major Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents - unrestricted	$ 7,487,876	$ 11,137,255	$ 179,395,664	$ 278,413	$ 49,202,691	$ 247,501,899
Cash and cash equivalents - restricted	-	-	-	-	41,768,267	41,768,267
Investments - unrestricted	213,469	23,885,538	-	-	68,938,715	93,037,722
Investments - restricted	-	-	-	-	52,087,090	52,087,090
Receivables						
Accounts	155,479	-	-	-	-	155,479
Interest	1,419	9,690	70,246	-	92,877	174,232
State and Caltrans funding	3,173,380	-	-	655,598	-	3,828,978
Federal funding	20,140,156	-	-	11,145,699	-	31,285,855
Due from other funds	10,130,650	-	-	1,679,465	49,030	11,859,145
Prepaid items	762,512	-	-	-	-	762,512
TOTAL ASSETS	$ 42,064,941	$ 35,032,483	$ 179,465,910	$ 13,759,175	$ 212,138,670	$ 482,461,179
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable and accrued expenditures	$ 17,968,388	$ 1,707,595	$ 1,608,152	$ 5,213,896	$ 980,818	$ 27,478,849
Due to other funds	4,630,172	86,241	804,298	6,913,131	379,779	12,813,621
TOTAL LIABILITIES	22,598,560	1,793,836	2,412,450	12,127,027	1,360,597	40,292,470
FUND BALANCES						
Nonspendable:						
Prepaid items	762,513	-	-	-	-	762,513
Restricted for:						
Transportation projects	2,734,027	33,238,647	177,053,460	1,119,417	11,068,077	225,213,628
Rail projects	-	-	-	-	192,649,898	192,649,898
Committed to:						
Benefits reserve	514,681	-	-	-	-	514,681
Building reserve	-	-	-	499,769	-	499,769
Liability reserve	2,738,331	-	-	-	-	2,738,331
Transportation projects	1,708,055	-	-	12,962	7,060,098	8,781,115
Unassigned:						
Unassigned	11,008,774	-	-	-	-	11,008,774
TOTAL FUND BALANCES	19,466,381	33,238,647	177,053,460	1,632,148	210,778,073	442,168,709
TOTAL LIABILITIES AND FUND BALANCES	$ 42,064,941	$ 35,032,483	$ 179,465,910	$ 13,759,175	$ 212,138,670	$ 482,461,179

The accompanying notes are an integral part of these financial statements.

Metropolitan Transportation Commission
Reconciliation of the Balance Sheet — Governmental Funds to the Statement of Net Assets
June 30, 2010

Governmental fund balance	$	442,168,709
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		7,946,217
Other Post Employment Benefit (OPEB) prefund asset		7,384,385
Capital leases are not due and payable in the current period and therefore are not reported in the funds		(10,601)
Compensated absences are not due and payable in the current period and therefore are not reported in the funds		(3,267,841)
Other long-term assets are not available for current-period expenditures and, therefore, are deferred in the funds		29,000,000
Other long-term liabilities are not available for current-period expenditures and, therefore, are deferred in the funds		(29,000,000)
Net assets of governmental activities	$	454,220,869

The accompanying notes are an integral part of these financial statements.

Metropolitan Transportation Commission
Statement of Revenues, Expenditures and Changes in Fund Balances — Governmental Funds
For the Year Ended June 30, 2011

	General	AB 664 Net Toll Revenue Reserve	STA	Rail Reserves	Non-major Governmental Funds	Total Governmental Funds
REVENUES						
Sales taxes	$ 9,644,034	$ -	$ -	$ -	$ -	$ 9,644,034
Grants - Federal	47,369,568	-	-	-	1,449,322	48,818,890
Grants - State	2,336,947	-	-	-	3,055,054	5,392,001
Local agencies revenues and refunds	4,292,243	-	-	8,000,000	6,127,091	18,419,334
Investment income - unrestricted	8,760	360,505	(38,671)	1,906,842	210,568	2,448,004
Investment income - restricted	-	-	-	-	408,234	408,234
TOTAL REVENUES	63,651,552	360,505	(38,671)	9,906,842	11,250,269	85,130,497
EXPENDITURES						
Current:						
General government	56,318,986	26,935	-	8,032,907	8,232,859	72,611,687
Allocations to other agencies	13,173,342	12,127,003	133,229,591	26,507	3,709,320	162,265,763
Capital outlay	66,222	-	-	-	-	66,222
TOTAL EXPENDITURES	69,558,550	12,153,938	133,229,591	8,059,414	11,942,179	234,943,672
EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENDITURES	(5,906,998)	(11,793,433)	(133,268,262)	1,847,428	(691,910)	(149,813,175)
OTHER FINANCING SOURCES/(USES)						
Transfers in	10,897,568	11,361,625	836,371	9,224,986	2,989,813	35,310,363
Transfers out	(895,555)	(20,341)	(2,662,706)	(870,000)	(1,389,214)	(5,837,816)
TOTAL OTHER FINANCING SOURCES/(USES)	10,002,013	11,341,284	(1,826,335)	8,354,986	1,600,599	29,472,547
NET CHANGE IN FUND BALANCES	4,095,015	(452,149)	(135,094,597)	10,202,414	908,689	(120,340,628)
Fund balances - beginning	19,466,381	33,238,647	177,053,460	98,737,122	113,673,099	442,168,709
Fund balances - ending	$ 23,561,396	$ 32,786,498	$ 41,958,863	$ 108,939,536	$ 114,581,788	$ 321,828,081

The accompanying notes are an integral part of these financial statements.

Metropolitan Transportation Commission
Statement of Revenues, Expenditures and Changes in Fund Balances — Governmental Funds
For the Year Ended June 30, 2010

	General	AB 664 Net Toll Revenue Reserve	STA	Capital Projects	Non-major Governmental Funds	Total Governmental Funds
REVENUES						
Sales taxes	$ 8,585,151	$ -	$ -	$ 238,830	$ -	$ 8,823,981
Grants - Federal	41,200,347	-	-	22,358,830	-	63,559,177
Grants - State	1,609,771	-	144,121,071	220,194	3,024,806	148,975,842
Local agencies revenues and refunds	3,769,473	-	1,730,000	479,185	40,776,155	46,754,813
Investment income - unrestricted	22,697	58,126	565,668	878	1,315,315	1,962,684
Investment income - restricted	-	-	-	-	221,925	221,925
TOTAL REVENUES	55,187,439	58,126	146,416,739	23,297,917	45,338,201	270,298,422
EXPENDITURES						
Current:						
General government	57,110,712	3,604	-	3,143,246	9,841,975	70,099,537
Allocations to other agencies	12,023,809	11,409,489	26,679,901	-	16,762,227	66,875,426
Capital outlay	257,094	-	-	22,280,646	-	22,537,740
TOTAL EXPENDITURES	69,391,615	11,413,093	26,679,901	25,423,892	26,604,202	159,512,703
EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENDITURES	(14,204,176)	(11,354,967)	119,736,838	(2,125,975)	18,733,999	110,785,719
OTHER FINANCING SOURCES/(USES)						
Transfers in	17,041,056	10,722,759	3,095,631	2,023,243	11,312,123	44,194,812
Transfers out	(3,095,631)	(20,000)	(3,455,305)	(7,000)	(1,303,034)	(7,880,970)
TOTAL OTHER FINANCING SOURCES/(USES)	13,945,425	10,702,759	(359,674)	2,016,243	10,009,089	36,313,842
NET CHANGE IN FUND BALANCES	(258,751)	(652,208)	119,377,164	(109,732)	28,743,088	147,099,561
Fund balances - beginning	19,725,132	33,890,855	57,676,296	1,741,880	182,034,985	295,069,148
Fund balances - ending	$ 19,466,381	$ 33,238,647	$ 177,053,460	$ 1,632,148	$ 210,778,073	$ 442,168,709

The accompanying notes are an integral part of these financial statements.

Metropolitan Transportation Commission
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances — Governmental Funds to the Statement of Activities
For the Years Ended June 30, 2011 and 2010

	2011	2010
Net change in fund balances - total governmental funds (per Statement of Revenues, Expenditures and Changes in Fund Balances)	$ (120,340,628)	$ 147,099,561
Governmental funds reported capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which the depreciation expense exceeds (does not exceed) non capital lease capital outlays in the current period. See Note 1.M.	(697,660)	(491,414)
Proceeds from the sale of capital assets provide financial resources to governmental funds while only the gain on the sale is reported in the statement of activities. Therefore, the change in net assets differ from the change in fund balance by the cost of the capital asset sold or abandoned.	-	(5,145)
Repayment of the principal of the long-term receivable from BART is not recorded as a long term asset in the governmental funds. Loan advances (repayments received) to/(from) the agency were recorded as expenses (income) in the governmental fund but were capitalized as a long-term asset in the statement of net assets.	(8,000,000)	(8,000,000)
Repayment of Intra-equity loan between MTC and BATA.	8,000,000	8,000,000
Principal repayment on capital leases in an expenditure in the governmental funds; however, the principal element of the repayment reduces long-term liabilities in the statement of net assets. The amount is the effect of the differing treatment of capital lease principal repayment.	38,578	39,946
Some items do not require the use of current financial resources and, therefore, are not reported in the governmental funds:		
Compensated absences	(101,495)	(147,207)
Change in net assets of governmental activities (per Statement of Activities)	$ (121,101,205)	$ 146,495,741

The accompanying notes are an integral part of these financial statements.

Metropolitan Transportation Commission
Statement of Net Assets — Proprietary Funds
June 30, 2011

	Business-Type Activities - Enterprise Funds			
	MTC - Clipper®	Bay Area Toll Authority	Service Authority for Freeways and Expressways	Total Enterprise Funds
ASSETS AND DEFERRED OUTFLOWS				
Cash and cash equivalents - unrestricted	$ 2,495,178	$ 367,874,934	$ 2,928,736	$ 373,298,848
Cash and cash equivalents - restricted	-	802,013,913	-	802,013,913
Short-term investments - unrestricted	-	533,010,985	105,854	533,116,839
Short-term investments - restricted	-	488,191,342	-	488,191,342
Due from other funds	3,711,886	30,352,064	4,443,049	38,506,999
Accounts receivable	1,951,220	4,602,493	37,719	6,591,432
Accrued interest	-	25,207,994	125	25,208,119
Prepaid expenses	-	304,408	55,070	359,478
State and Caltrans funding	2,347,496	1,071,128	5,413,246	8,831,870
Funding due from federal agency	7,631,284	-	2,851,858	10,483,142
Total current assets	18,137,064	2,252,629,261	15,835,657	2,286,601,982
Non-current assets:				
Cash and cash equivalents - restricted	-	837,009,716	-	837,009,716
Investments - restricted	-	624,762,633	-	624,762,633
Due from other funds	-	474,369,673	-	474,369,673
Deferred outflows on derivative instruments	-	184,449,727	-	184,449,727
Derivative instruments - asset	-	507,207	-	507,207
Deferred charge	-	422,556	-	422,556
Bond issuance costs	-	74,852,191	-	74,852,191
Capital assets, net of accumulated depreciation/amortization	-	13,777,783	4,047,048	17,824,831
Total non-current assets and deferred outflows	-	2,210,151,486	4,047,048	2,214,198,534
TOTAL ASSETS AND DEFERRED OUTFLOWS	18,137,064	4,462,780,747	19,882,705	4,500,800,516
LIABILITIES AND DEFERRED INFLOWS				
Current liabilities:				
Accounts payable	7,253,620	132,687,852	2,551,094	142,492,566
Accrued interest payable	-	99,167,888	-	99,167,888
Due to other funds	9,493,955	4,619,369	-	14,113,324
Unearned revenue	-	52,398,744	-	52,398,744
Retentions payable	436,279	978,882	17,659	1,432,820
Long-term debt - current	-	38,695,000	-	38,695,000
Due to Caltrans	-	19,128,115	-	19,128,115
Due to Bay Area Infrastructure Financing Authority	-	149,971,510	-	149,971,510
Total current liabilities	17,183,854	497,647,360	2,568,753	517,399,967
Non-current liabilities:				
Unearned revenue and patron deposits	-	26,325,812	-	26,325,812
Due to Bay Area Infrastructure Financing Authority	-	243,090,462	-	243,090,462
Long-term debt, net	-	7,895,945,529	-	7,895,945,529
Deferred inflows on derivative instruments	-	507,207	-	507,207
Derivative instruments - liability	-	235,691,226	-	235,691,226
Total non-current liabilities	-	8,401,560,236	-	8,401,560,236
TOTAL LIABILITIES AND DEFERRED INFLOWS	17,183,854	8,899,207,596	2,568,753	8,918,960,203
NET ASSETS/(DEFICIT)				
Invested in capital assets, net of related debt	-	13,777,783	4,047,048	17,824,831
Restricted for:				
Operations and maintenance, under debt covenant	-	150,000,000	-	150,000,000
Extraordinary loss reserve, under Caltrans Coop	-	50,000,000	-	50,000,000
Unrestricted net assets	953,210	(4,650,204,632)	13,266,904	(4,635,984,518)
TOTAL NET ASSETS/(DEFICIT)	$ 953,210	$(4,436,426,849)	$ 17,313,952	$(4,418,159,687)

The accompanying notes are an integral part of these financial statements.

Metropolitan Transportation Commission
Statement of Net Assets — Proprietary Funds
June 30, 2010

	Business-Type Activities - Enterprise Funds		
	Bay Area Toll Authority	Service Authority for Freeways and Expressways	Total Enterprise Funds
ASSETS AND DEFERRED OUTFLOWS			
Cash and cash equivalents - unrestricted	$ 1,411,743,219	$ 7,723,711	$ 1,419,466,930
Cash and cash equivalents - restricted	55,468,219	-	55,468,219
Short-term investments - unrestricted	493,183,551	105,325	493,288,876
Due from MTC	8,271,732	4,121,819	12,393,551
Accounts receivable	2,661,554	954	2,662,508
Accrued interest	14,434,762	322	14,435,084
Prepaid expenses	451,500	90,825	542,325
State and Caltrans funding	1,091,967	3,796,358	4,888,325
Funding due from federal agency	-	476,655	476,655
Total current assets	1,987,306,504	16,315,969	2,003,622,473
Non-current assets:			
Investments - unrestricted	85,159,375	-	85,159,375
Cash and cash equivalents - restricted	131,842,734	-	131,842,734
Investments - restricted	418,771,035	-	418,771,035
Due from MTC	21,000,000	-	21,000,000
Deferred outflows on derivative instruments	263,198,577	-	263,198,577
Derivative instruments - asset	10,328,500	-	10,328,500
Bond issuance costs	72,837,271	-	72,837,271
Capital assets, net of accumulated depreciation/amortization	14,207,717	3,991,120	18,198,837
Total non-current assets and deferred outflows	1,017,345,209	3,991,120	1,021,336,329
TOTAL ASSETS AND DEFERRED OUTFLOWS	3,004,651,713	20,307,089	3,024,958,802
LIABILITIES AND DEFERRED INFLOWS			
Current liabilities:			
Accounts payable	59,566,270	1,655,763	61,222,033
Accrued interest payable	60,322,464	-	60,322,464
Security Trade Payable	30,000,000	-	30,000,000
Due to MTC	3,374,161	64,914	3,439,075
Unearned revenue	42,198,309	-	42,198,309
Retentions payable	932,265	-	932,265
Long-term debt - current	36,990,000	-	36,990,000
Due to Caltrans	38,765,314	-	38,765,314
Due to Bay Area Infrastructure Financing Authority	152,975,580	-	152,975,580
Total current liabilities	425,124,363	1,720,677	426,845,040
Non-current liabilities:			
Patron deposits	4,588,401	-	4,588,401
Due to Bay Area Infrastructure Financing Authority	393,090,461	-	393,090,461
Long-term debt, net	5,564,437,681	-	5,564,437,681
Deferred inflows on derivative instruments	10,328,500	-	10,328,500
Derivative instruments - liability	339,765,417	-	339,765,417
Total non-current liabilities	6,312,210,460	-	6,312,210,460
TOTAL LIABILITIES AND DEFERRED INFLOWS	6,737,334,823	1,720,677	6,739,055,500
NET ASSETS/(DEFICIT)			
Invested in capital assets, net of related debt	14,207,717	3,991,120	18,198,837
Restricted for:			
Operations and maintenance, under debt covenant	150,000,000	-	150,000,000
Extraordinary loss reserve, under Caltrans Coop	50,000,000	-	50,000,000
Unrestricted net assets	(3,946,890,827)	14,595,292	(3,932,295,535)
TOTAL NET ASSETS/(DEFICIT)	$(3,732,683,110)	$ 18,586,412	$(3,714,096,698)

The accompanying notes are an integral part of these financial statements.

Metropolitan Transportation Commission
Statement of Revenues, Expenses and Changes in Fund Net Assets — Proprietary Funds
For the Year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds			
	MTC - Clipper®	Bay Area Toll Authority	Service Authority for Freeways and Expressways	Total Enterprise Funds
OPERATING REVENUES				
Toll revenues collected	$ -	$ 597,361,947	$ -	$ 597,361,947
Department of Motor Vehicles registration fees	-	-	5,680,296	5,680,296
Other operating revenues	2,274,345	17,589,332	-	19,863,677
TOTAL OPERATING REVENUES	2,274,345	614,951,279	5,680,296	622,905,920
OPERATING EXPENSES				
Operating expenses incurred by Caltrans	-	23,101,296	-	23,101,296
Operating expenses – Transbay JPA	-	3,001,398	-	3,001,398
Towing contracts	-	-	8,788,827	8,788,827
Professional fees	17,398,592	34,177,063	2,542,600	54,118,255
Allocations to other agencies	-	34,520,945	-	34,520,945
Salaries and benefits	1,280,728	7,257,939	2,230,282	10,768,949
Repairs and maintenance	-	16,296	757,305	773,601
Communications charges	110	59,208	288,213	347,531
Depreciation and amortization	-	1,976,410	439,142	2,415,552
Other operating expenses	692,558	13,279,703	1,135,516	15,107,777
TOTAL OPERATING EXPENSES	19,371,988	117,390,258	16,181,885	152,944,131
OPERATING INCOME (LOSS)	(17,097,643)	497,561,021	(10,501,589)	469,961,789
NONOPERATING REVENUES (EXPENSES)				
Investment income (charge)	-	33,445,758	6,451	33,452,209
Build America Bonds (BABs) interest subsidy	-	72,638,218	-	72,638,218
Interest expense	-	(395,620,828)	-	(395,620,828)
Loss on swap termination	-	(15,683,211)	-	(15,683,211)
Financing fees	-	(18,574,177)	-	(18,574,177)
Other non-operating expense	-	(10,013,767)	-	(10,013,767)
Caltrans and other agency operating grants	5,114,038	158,708,029	4,753,062	168,575,129
Federal operating grants	33,902,516	-	7,129,225	41,031,741
Distributions to other agencies for their capital purposes	(32,675,742)	(246,081,354)	-	(278,757,096)
Distributions to Caltrans for their capital purposes	-	(739,843,054)	(1,757,167)	(741,600,221)
Loss on abandonment of equipment	-	-	(228)	(228)
TOTAL NONOPERATING REVENUES/(EXPENSES)	6,340,812	(1,161,024,386)	10,131,343	(1,144,552,231)
INCOME/(LOSS) BEFORE TRANSFERS	(10,756,831)	(663,463,365)	(370,246)	(674,590,442)
TRANSFERS				
Transfers to Metropolitan Transportation Commission	-	(32,099,657)	(902,214)	(33,001,871)
Transfer from Metropolitan Transportation Commission	2,659,324	870,000	-	3,529,324
Transfer between programs	9,050,717	(9,050,717)	-	-
TOTAL TRANSFERS	11,710,041	(40,280,374)	(902,214)	(29,472,547)
CHANGE IN NET ASSETS	953,210	(703,743,739)	(1,272,460)	(704,062,989)
Total net assets/(deficit) - beginning	-	(3,732,683,110)	18,586,412	(3,714,096,698)
Total net assets/(deficit) - ending	$ 953,210	$(4,436,426,849)	$ 17,313,952	$(4,418,159,687)

The accompanying notes are an integral part of these financial statements.

Metropolitan Transportation Commission
Statement of Revenues, Expenses and Changes in Fund Net Assets — Proprietary Funds
For the Year Ended June 30, 2010

	Business-Type Activities - Enterprise Funds		
	Bay Area Toll Authority	Service Authority for Freeways and Expressways	Total Enterprise Funds
OPERATING REVENUES			
Toll revenues collected	$ 466,085,582	$ -	$ 466,085,582
Department of Motor Vehicles registration fees	-	5,877,350	5,877,350
Other operating revenues	14,925,959	-	14,925,959
TOTAL OPERATING REVENUES	481,011,541	5,877,350	486,888,891
OPERATING EXPENSES			
Operating expenses incurred by Caltrans	27,225,850	-	27,225,850
Towing contracts	-	8,477,792	8,477,792
Professional fees	31,549,310	1,394,922	32,944,232
Allocations to other agencies	28,057,784	-	28,057,784
Salaries and benefits	6,465,626	968,737	7,434,363
Repairs and maintenance	30,087	1,069,419	1,099,506
Communications charges	22,779	287,384	310,163
Depreciation and amortization	1,096,872	358,293	1,455,165
Other operating expenses	11,312,479	678,513	11,990,992
TOTAL OPERATING EXPENSES	105,760,787	13,235,060	118,995,847
OPERATING INCOME (LOSS)	375,250,754	(7,357,710)	367,893,044
NONOPERATING REVENUES (EXPENSES)			
Investment income (charge)	(14,874,294)	8,591	(14,865,703)
Build America Bonds (BABs) interest subsidy	18,681,136	-	18,681,136
Interest expense	(224,821,145)	-	(224,821,145)
Loss on swap termination	(80,587,911)	-	(80,587,911)
Financing fees	(14,740,035)	-	(14,740,035)
Other non-operating expense	(2,242,851)	-	(2,242,851)
Caltrans and other agency operating grants	102,239,037	6,893,037	109,132,074
Federal operating grants	-	4,058,990	4,058,990
Distributions to other agencies for their capital purposes	(155,403,666)	(152,648)	(155,556,314)
Distributions to Caltrans for their capital purposes	(683,058,235)	(3,766,860)	(686,825,095)
Loss on abandonment of equipment	-	(154,501)	(154,501)
TOTAL NONOPERATING REVENUES/ (EXPENSES)	(1,054,807,964)	6,886,609	(1,047,921,355)
INCOME/(LOSS) BEFORE TRANSFERS	(679,557,210)	(471,101)	(680,028,311)
TRANSFERS			
Transfers to Metropolitan Transportation Commission	(35,772,614)	(1,651,228)	(37,423,842)
Transfer from Metropolitan Transportation Commission	1,110,000	-	1,110,000
TOTAL TRANSFERS	(34,662,614)	(1,651,228)	(36,313,842)
CHANGE IN NET ASSETS	(714,219,824)	(2,122,329)	(716,342,153)
Total net assets/(deficit) - beginning	(3,018,463,286)	20,708,741	(2,997,754,545)
Total net assets/(deficit) - ending	$(3,732,683,110)	$ 18,586,412	$(3,714,096,698)

The accompanying notes are an integral part of these financial statements.

Metropolitan Transportation Commission
Statement of Cash Flows — Proprietary Funds
For the Year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds			
	MTC- Clipper®	Bay Area Toll Authority	Service Authority for Freeways and Expressways	Total
Cash flows from operating activities				
Cash receipts from users	323,125	$ 606,893,997	$ 5,680,296	612,897,418
Cash payments to Caltrans, suppliers and employees for services	(12,412,693)	(110,615,966)	(15,059,271)	(138,087,930)
Other receipts/(payments)	-	17,266,207	(1,205,675)	16,060,532
Net cash provided by/(used in) operating activities	$ (12,089,568)	$ 513,544,238	(10,584,650)	490,870,020
Cash flows from non-capital financing activities				
Caltrans and other state and local agency grants	2,766,542	158,607,029	3,099,911	164,473,482
Proceeds from issuance of revenue bonds	-	2,366,233,311	-	2,366,233,311
Build America Bonds interest subsidy	-	60,621,996	-	60,621,996
Interest paid on bonds	-	(356,452,602)	-	(356,452,602)
Financing fees	-	(18,461,197)	-	(18,461,197)
Deferred charge	-	(578,198)	-	(578,198)
Federal operating grants	26,271,232	-	4,754,022	31,025,254
Transfers to MTC and SAFE	7,998,155	(15,498,634)	(82,683)	(7,583,162)
Due from MTC and SAFE	-	(438,986,537)	-	(438,986,537)
Bond principal payments	-	(36,990,000)	-	(36,990,000)
Distributions to Caltrans	-	(759,576,753)	(1,510,055)	(761,086,808)
Distributions to other agencies	(22,451,183)	(178,153,704)	-	(200,604,887)
Due to BAIFA	-	(153,000,000)	-	(153,000,000)
Other non-operating expense	-	(7,500,000)	-	(7,500,000)
Net cash provided by non-capital financing activities	14,584,746	620,264,711	6,261,195	641,110,652
Cash flows from capital and related financing activities				
Acquisition of capital assets	-	(1,756,783)	(477,639)	(2,234,422)
Net cash (used in) capital and related financing activities	-	(1,756,783)	(477,639)	(2,234,422)
Cash flows from investing activities				
Proceeds from maturities of investments	-	10,966,355,269	8,998,916	10,975,354,185
Purchase of investments	-	(11,705,757,569)	(8,999,451)	(11,714,757,020)
Interest and dividends received	-	12,966,525	6,654	12,973,179
Payment on swap termination	-	(19,622,000)	-	(19,622,000)
Payment from swap amendment	-	21,850,000	-	21,850,000
Net cash provided by/(used in) investing activities	-	(724,207,775)	6,119	(724,201,656)
Net increase/(decrease) in cash and cash equivalents	2,495,178	407,844,391	(4,794,975)	405,544,594
Balances - beginning of year	-	1,599,054,172	7,723,711	1,606,777,883
Balances - end of year	$ 2,495,178	$ 2,006,898,563	$ 2,928,736	$ 2,012,322,477

The accompanying notes are an integral part of these financial statements.

Metropolitan Transportation Commission
Statement of Cash Flows — Proprietary Funds, *continued*
For the Year Ended June 30, 2011

	Business-Type Activities - Enterprise Funds			
	MTC-Clipper®	Bay Area Toll Authority	Service Authority for Freeways and Expressways	Total
Reconciliation of operating income to net cash provided by/(used in) operating activities				
Operating income/(loss)	(17,097,643)	497,561,021	(10,501,589)	469,961,789
Adjustments to reconcile operating income to net cash provided by/(used in) operating activities:				
Depreciation and amortization	-	1,976,410	439,142	2,415,552
Net effect of changes in:				
Due to/from MTC	2,319,899	-	(1,205,675)	1,114,224
Due from BAIFA	-	(4,069)	-	(4,069)
Accounts receivable	(1,951,220)	(993,692)	(502)	(2,945,414)
Prepaid expenses and other assets	-	(28,084)	35,755	7,671
Due to Caltrans	-	96,500	-	96,500
Deferred revenue	-	9,557,788	-	9,557,788
Patron deposits	-	628,059	-	628,059
Accounts payable and accrued expenses	4,639,396	4,729,466	648,219	10,017,081
Other state receivable	-	20,839	-	20,839
Net cash provided by/(used in) operating activities	(12,089,568)	513,544,238	(10,584,650)	490,870,020

Significant noncash financing, capital, and investing activities

Caltrans and other state and local agency operating grants	2,347,496	929,452	5,449,510
Federal operating grants	7,631,284	-	2,851,858
Build America Bonds (BABs) interest subsidy	-	19,140,384	-
Interest expense on bonds	-	94,252,863	-
Distribution to Caltrans for their capital purposes	-	19,031,615	737,474
Distribution to other agencies for their capital purposes	10,224,558	115,656,279	-
Interest on investments	-	1,556,092	-
Transfer from MTC *	3,711,886	27,884,169	883,242
Other non-operating expense (Bond amortization costs)	-	2,513,767	-

* For BATA, Transfer to MTC includes annual amortization of transit transfer.

The accompanying notes are an integral part of these financial statements.

Metropolitan Transportation Commission
Statement of Cash Flows — Proprietary Funds
For the Year Ended June 30, 2010

	Business-Type Activities - Enterprise Funds		
	Bay Area Toll Authority	Service Authority for Freeways and Expressways	Total
Cash flows from operating activities			
Cash receipts from users	$ 468,763,624	$ 5,877,350	$ 474,640,974
Cash payments to Caltrans, suppliers and employees for services	(99,254,565)	(12,902,637)	(112,157,202)
Other receipts/(payments)	18,318,627	(1,021,125)	17,297,502
Net cash provided by/(used in) operating activities	387,827,686	(8,046,412)	379,781,274
Cash flows from non-capital financing activities			
Caltrans and other local agency grants	102,026,593	6,826,692	108,853,285
Proceeds from issuance of revenue bonds	2,059,476,963	-	2,059,476,963
Build American Bonds interest subsidy	11,556,974		11,556,974
Interest paid on bonds	(194,413,833)	-	(194,413,833)
Financing fees	(14,704,395)	-	(14,704,395)
Payment for refunding of bonds	(776,405,000)	-	(776,405,000)
Federal operating grants	-	3,710,466	3,710,466
Transfers to MTC and SAFE	(35,379,687)	(1,672,396)	(37,052,083)
Due from MTC and SAFE	8,000,000	-	8,000,000
Bond principal payments	(35,345,000)	-	(35,345,000)
Distributions to Caltrans	(691,212,549)	(4,047,150)	(695,259,699)
Distributions to other agencies	(147,798,424)	(152,648)	(147,951,072)
Due to BAIFA	(99,000,000)	-	(99,000,000)
Net cash provided by/(used in) non-capital financing activities	186,801,642	4,664,964	191,466,606
Cash flows from capital and related financing activities			
Acquisition of capital assets	(7,851,016)	(158,784)	(8,009,800)
Net cash (used in) capital and related financing activities	(7,851,016)	(158,784)	(8,009,800)
Cash flows from investing activities			
Proceeds from maturities of investments	6,446,144,916	12,499,034	6,458,643,950
Purchase of investments	(6,752,763,889)	(12,499,967)	(6,765,263,856)
Interest and dividends received	5,624,062	9,371	5,633,433
Payment on swap termination	(104,579,900)	-	(104,579,900)
Net cash provided by/(used in) investing activities	(405,574,811)	8,438	(405,566,373)
Net increase/(decrease) in cash and cash equivalents	161,203,501	(3,531,794)	157,671,707
Balances - beginning of year	1,437,850,671	11,255,505	1,449,106,176
Balances - end of year	$ 1,599,054,172	$ 7,723,711	$ 1,606,777,883

The accompanying notes are an integral part of these financial statements.

Metropolitan Transportation Commission
Statement of Cash Flows — Proprietary Funds, *continued*
For the Year Ended June 30, 2010

	Business-Type Activities - Enterprise Funds		
	Bay Area Toll Authority	Service Authority for Freeways and Expressways	Total
Reconciliation of operating income to net cash provided by/(used in) operating activities			
Operating income/(loss)	$ 375,250,754	$ (7,357,710)	$ 367,893,044
Adjustments to reconcile operating income to net cash provided by/(used in) operating activities:			
Depreciation and amortization	1,096,872	358,293	1,455,165
Net effect of changes in:			
Due to/from MTC	3,129,888	(1,021,125)	2,108,763
Due from State and Federal	262,780	-	262,780
Accounts receivable	197,473	(954)	196,519
Prepaid expenses and other assets	134,421	(14,844)	119,577
Due to Caltrans	398,198	-	398,198
Unearned revenue	1,833,276	-	1,833,276
Patron deposits	647,293	-	647,293
Accounts payable and accrued expenses	4,876,731	(10,072)	4,866,659
Net cash provided by/(used in) operating activities	$ 387,827,686	$ (8,046,412)	$ 379,781,274
Significant noncash financing, capital, and investing activities			
Caltrans and local agency operating grants	$ 828,452	$ 3,796,358	
Federal operating grants	-	5,476,655	
Build America Bonds (BABs) interest subsidy	7,124,162	-	
Interest expense on bonds	60,322,463	-	
Bond issuance costs, net of amortization	14,622,923	-	
Bond premium/discount, net of amortization	34,524,556	-	
Deferred charge from refunding, net of amortization	9,862,662	-	
Transfer to Caltrans for their capital purposes	76,785,275	490,361	
Transfer to other agencies for their capital purposes	47,886,816	-	
Interest on investments	7,310,601	-	
Purchase of investments	30,000,000	-	

The accompanying notes are an integral part of these financial statements.

Metropolitan Transportation Commission
Statement of Fiduciary Assets and Liabilities — Agency Funds
June 30, 2011 and 2010

		2011		2010
ASSETS				
Cash and cash equivalents	$	108,774,490	$	65,863,144
Account receivables		8,919,911		-
Interest receivables		32,659		28,072
TOTAL ASSETS	$	117,727,060	$	65,891,216
LIABILITIES				
Accounts payable and accrued liabilities	$	43,477,818	$	3,917,349
Due to other governments		74,249,242		61,973,867
TOTAL LIABILITIES	$	117,727,060	$	65,891,216

The accompanying notes are an integral part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Metropolitan Transportation Commission (MTC) was established under Government Code Section 66500 et seq. the laws of the State of California (State) in 1970 to provide comprehensive regional transportation planning for the nine counties that comprise the San Francisco Bay Area, which includes the City and County of San Francisco and the counties of Alameda, Contra Costa, Marin, Napa, San Mateo, Santa Clara, Solano and Sonoma.

The MTC's principal sources of revenue to fund its governmental operations include state grants, a percentage of the sales tax revenues collected in the nine Bay Area counties under the State Transportation Development Act of 1971 (TDA) and grants from the U.S. Department of Transportation, Office of the Secretary of Transportation (U.S. DOT), including the Federal Highway Administration (FHWA), Federal Transit Administration (FTA) and other federal, state and local agencies. These are the principal sources of revenue susceptible to accrual under the modified accrual method described later within this note. Fees are the primary source of revenue for the proprietary funds described in this note.

The accompanying financial statements present MTC, its blended component units, and its discretely presented component unit. MTC is the primary government as defined in Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*. Its governing board is separately appointed and it is fiscally independent of other governments. The blended component units discussed below are included as part of the reporting entity because their boards are substantially the same as the primary government's board. The blended component units, although legally separate entities are, in substance, part of the MTC's operations, and financial data from these units are combined with financial data of MTC in preparing the government-wide financial statements. The Commission serves as the governing body for MTC and all its blended component units.

MTC has one discretely presented component unit – Bay Area Infrastructure Financing Authority (BAIFA). As such, BAIFA is presented in a separate column on the face of the government-wide financial statements on the far right column.

Blended component units

i.) MTC Clipper®

In July 2010, MTC assumed responsibility for operating the Clipper® smart card program per the Memorandum of Understanding with seven Bay Area transit organizations. Clipper® smart card operating and capital costs are incurred by the MTC Clipper® fund. MTC Clipper® seeks payment from participating transit operators for services provided related to the operations and capital expenditures of this program. The cash account and patron liability is held as an agency fund. See Note 1 A vii. for information on the Clipper® program agency fund. Prior to July

2011, the operating portion of the Clipper® program was part of the general fund and the capital portion of the Clipper® program was part of the capital projects fund.

ii.) Bay Area Toll Authority

The Bay Area Toll Authority (BATA) is a public agency created by Senate Bill 226 effective January 1, 1998 with responsibilities for the disposition of toll revenues collected from toll bridges owned and operated by Caltrans in the San Francisco Bay Area. These responsibilities also include administration of the Regional Measure 1 (RM 1) capital improvement program approved by the voters in 1988. The bridges for which BATA manages the disposition of toll revenues are the Antioch Bridge, Benicia-Martinez Bridge, Carquinez Bridge, Dumbarton Bridge, Richmond-San Rafael Bridge, San Francisco-Oakland Bay Bridge and San Mateo-Hayward Bridge.

Pursuant to Senate Bill 226, a five year Cooperative Agreement was signed on March 2, 1998 defining the roles and responsibilities of BATA and Caltrans with respect to the collection and disposition of toll bridge revenues. The current ten-year agreement was signed in 2006 and amended and restated in June 2011.

Caltrans' responsibilities include the ownership, operation and maintenance of the bridges. Under the terms of the Cooperative Agreement, BATA has responsibility for cash management and electronic toll collection. BATA's FasTrak® Center consolidated its operations to include Golden Gate Bridge, Highway and Transportation District on May 30, 2005.

BATA is required to prepare and adopt a budget by July 1 for each fiscal year. BATA adopted a Long Range Plan for RM 1 projects as required by the Streets and Highway Code. With the concurrence of Caltrans, the plan gives first priority to projects and expenditures that are deemed necessary by Caltrans to preserve and protect the bridges as provided by the Streets and Highway Code and to pay Caltrans for costs incurred and as authorized in the annual budgets adopted by BATA.

In March 2004, seven Bay Area counties approved Regional Measure 2 (RM 2). RM 2 increased the bridge toll by one dollar for all seven state-owned bridges in order to fund various capital and operating programs for congestion relief. BATA controls the RM 2 allocations. This dollar surcharge became effective July 1, 2004.

The California State Legislature approved Assembly Bill (AB) 144 on July 18, 2005, which transferred additional Caltrans responsibilities to BATA, namely toll plaza administration responsibility. This responsibility includes consolidation of all the toll bridge revenue, including the state seismic dollar collection program for the seven bridges under BATA's administration. The state seismic dollar collection program was formerly administered by Caltrans to be used to complete the Seismic Retrofit Program. AB 144 also created a new seismic project oversight board, called the Toll Bridge Project Oversight Committee. This Committee consists of Caltrans, BATA, and the California Transportation Commission. This Committee has oversight for the state toll bridge seismic retrofit program, which includes reviewing bid documents, change orders, and monitoring ongoing costs. The bill also gave BATA unlimited project-level toll revenue setting authority to complete the Seismic Retrofit Program.

BATA is a proprietary fund as it generates revenue from toll bridge receipts and its debt is collateralized solely by toll revenue as more fully described in Note 5 Bond Covenants.

iii.) MTC Service Authority for Freeways and Expressways (MTC SAFE)

In June 1988, the MTC SAFE was created to receive fees collected by the Department of Motor Vehicles pursuant to Streets and Highways Code Section 2500 et seq., which permits the collection of up to $1 per registered vehicle in participating counties. These fees represent charges for services rendered to external users. The MTC SAFE is responsible for administering a freeway motorist aid system in the participating counties, referred to as the Call Box program. The following counties are participants in the MTC SAFE: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano and Sonoma.

In 1993, the MTC SAFE's responsibilities were expanded, pursuant to a jointly adopted Memorandum of Understanding between the MTC SAFE, Caltrans, and the California Highway Patrol (CHP), to participate in the development and implementation of a Freeway Service Patrol (FSP) program in the San Francisco Bay Area. The three principal sources of funding for the FSP program are state-legislated grants, federal grants, and funding from federal traffic mitigation programs. In addition, the Call Box program supports the FSP program by transferring funds each year.

The management of the MTC SAFE has contracted with the MTC to utilize the administrative personnel and facilities of the MTC at no cost.

iv.) MTC General Revenue Fund

MTC General Fund is used to account for financial resources not accounted for or reported in another fund.

v.) MTC Special Revenue Funds

Special revenue funds are used to account for specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. MTC maintains various special revenue funds as follows:

Major Funds

AB 664 Net Toll Revenue Reserve Fund – Under Section 30884 (a) of the Streets and Highway Code, the AB 664 Net Toll Revenue Fund receives 16 percent of the base toll revenues collected on the three southern bridges, San Francisco-Oakland Bay Bridge, Dumbarton Bridge, and San Mateo-Hayward Bridge. These funds are allocated by policy, seventy percent to East Bay and thirty percent to West Bay, to the agency capital projects that further the development of public transit in the vicinity of the three southern bridges. Substantially, all of the current AB 664 Net Toll Revenue Reserves are used to match federal transit funds designated for replacement buses and agency capital facility improvement.

State Transit Assistance (STA) Fund – State Transit Assistance Funds are used for transit and paratransit operating assistance, transit capital projects, and regional transit coordination. STA funds are derived from the state sales tax on fuel and apportioned by state statute between population-based and revenue-based accounts. PUC Section 99313 defines population-based funds and PUC Section 99314 defines revenue-based funds.

Rail Reserve Fund – Under Section 30914 (a.4) of the Streets and Highway Code, the rail reserve fund receives 21 percent of base toll revenues collected on the San Francisco-Oakland Bay Bridge. Rail reserve extension funds are allocated exclusively for rail transit capital extension and improvement projects that are designed to reduce vehicular traffic congestion on the San Francisco-Oakland Bay Bridge. Seventy percent of the Rail Reserves are allocated for East Bay rail improvements and the remaining thirty percent for West Bay rail improvements by code.

Non-major Funds

Transit Reserve Fund – MTC maintains a Transit Reserve Fund pursuant to RM 1, as amended in 1988. The calculation of the transit reserves is set forth in Section 30913 (b) of the Streets and Highway Code as one third of 2 percent of base toll revenues collected on all seven Bay Area state-owned bridges.

Caltrans also has a Cooperative Agreement with BATA and MTC whereby Caltrans transferred state funding (Five Percent Unrestricted State Funds) to MTC for ferry operations and other transit/bicycle projects.

Exchange Fund – Exchange Funds are used for MTC projects adopted as part of its Surface Transportation Program (STP) and Congestion Mitigation and Air Quality Improvement (CMAQ) program. The restriction is established by Commission resolution which restricts these funds.

BART Car Exchange Fund – Funds deposited are restricted for the purpose of the BART car replacement projects. MTC and BART established funding exchange program whereby MTC will program Federal Funds for current BART projects with BART depositing an equal amount of local funds into an account set aside for the BART car fleet replacement project scheduled to begin in 2013.

Feeder Bus Fund – Funds from local agencies are used to reimburse various transit operators for operating the BART Express Bus Program.

Proposition 1B Fund – This fund includes revenue from the Caltrans Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA) grant, a grant funded by Proposition 1B Regional Transit Connectivity Program funds. MTC's Hub Signage Project, which improves signage at major transportation hubs, is the only project in this fund for fiscal years 2011 and 2010.

vi.) MTC Capital Projects Fund

Non-major Fund

MTC Capital Projects Fund is used to account for and report the financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition and development of capital facilities and other capital assets. The MTC building improvement reserve and the Urban Partnership project are the capital projects included in the current fiscal year.

vii.) MTC Fiduciary Funds

MTC reports the following fiduciary funds to account for assets held by MTC in a trustee capacity or as an agent. These agency funds are custodial in nature and do not have a measurement of results of operations. They are on the accrual basis of accounting.

AB 1107 Fund – BART Half-Cent Sales Tax (AB 1107) funds are used to account for the activities of the AB 1107 Program. AB 1107 funds are sales tax revenue collected under the ordinance adopted pursuant to Section 29140 of the Public Utilities Code. These funds are administered by MTC for allocation to the Alameda-Contra Costa Transit District (AC Transit) and the City and County of San Francisco for its municipal railway system (MUNI) on the basis of regional priorities established by the MTC.

Transportation Development Act (TDA) Program fund – Funds are used to account for the activities of the TDA Program. In accordance with state regulations and memoranda of understanding with operators and local municipalities, MTC is responsible for the administration of sales tax revenue derived from the TDA.

Clipper® Program Fund – These agency funds are used to reimburse transit operators for rides taken by patrons using the Clipper® smart card. Funds received from patrons for the purchase of a Clipper® smart card to use for transit rides are also deposited into this fund.

Discretely presented component unit

A component unit is a legally separate organization for which elected officials of the primary government are financially accountable. It can also be an organization whose relationship with the primary government is such that exclusion would cause the reporting entity's financial statement to be misleading or incomplete. MTC has one discretely presented component unit, BAIFA.

i.) Bay Area Infrastructure Financing Authority (BAIFA)

BAIFA was established in August 2006 pursuant to the California Joint Exercise of Powers Act, consisting of Sections 6500 through 6599.2 of the California Government Code to provide for the joint exercise powers common to MTC and BATA, where two or more public agencies may enter into an agreement to establish an agency to exercise any power common to the contracting parties. The governing board of BAIFA consists of four MTC Commissioners and two BATA Commissioners. BAIFA is authorized to plan projects and obtain funding in the form of grants, contributions, appropriations, loans and other assistance from the United States and from the state of California and apply funds received to pay debt service on bonds issued by BAIFA to finance or refinance public transportation and related capital improvements projects. BAIFA is presented as a proprietary fund in the discretely presented component unit column of the government-wide financial statements because it does not meet the criteria for blending under the provisions of GASB Statement No. 14, *The Financial Reporting Entity.* Requests for separately issued financial statement for BAIFA should be addressed to the Treasurer and Auditor, Bay Area Infrastructure Financing Authority, 101 8th Street, CA 94607.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. Statement of Net Assets and Statement of Activities) report information on all non-fiduciary activities of MTC and its component units. The effect of inter-fund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenue, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

MTC presents its financial statements in accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – Management's Discussion & Analysis – for State and Local Governments* as amended. GASB Statement No. 34 establishes standards for external financial reporting for state and local governments and requires that resources be classified for accounting and reporting purposes into three net asset categories; namely, those invested in capital assets, net of related debt, restricted net assets and unrestricted net assets.

With respect to the business-type activities of MTC and as required under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, MTC continues to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements. MTC has elected under GASB Statement No. 20 not to apply all FASB Statements and Interpretations issued after November 30, 1989, due to the governmental nature of MTC's operations.

GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans,* address issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent-multiple other post emplyment benefit (OPEB) plans. The requirements in this Statement will allow more agent employers to use the alternatives measurement method to produce actuarially base information for purposes of financial reporting. This standard was issued in December 2009 and is effective for periods beginning after June 15, 2011. This standard will not have any effect on the financial statements.

GASB Statement No. 59, *Financial Instruments Omnibus,* updates and improves existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pool for which improve financial reporting by providing more complete information, by providing consistency of measurements, and by providing clarifications of existing standards. This standard was issued in June 2010 and is effective for the period beginning after June 15, 2010. This standard did not have any effect on the financial statements.

GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements,* which addresses issues related to service concession arrangements (SCAs) between public-private or public-public partnership. The requirements in this Statement will improve financial reporting by establishing recognition, measurement, and disclosure requirements for SCAs for both transferors and government operators. This standard was issued in November 2010 and is effective for periods beginning after December 15, 2011. This standard is not expected to have any material impact on the financial statements.

GASB Statement No. 61, *The Financing Reporting Entity: Omnibus – an amendment of GASB Statement No. 14 and No. 34,* which modifies certain requirements for inclusion of component units in the financial reporting entity. The requirements of this statement result in financial reporting entity financial statements being more relevant by improving guidance for including, presenting and disclosing information about component units and equity interest transactions of a financial reporting entity. This standard was issued in November 2010 and is effective for periods beginning after June 15, 2012. We are currently evaluating the effect of this standard on the financial statements.

GASB Statement 62, *Codifications of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,* incorporates into GASB's authoritative literature certain accounting and financial reporting guidance that includes pronouncements issued on or before November 30, 1989, which do not conflict with or contradict GASB pronouncements. The requirements in this Statement will improve financial reporting by contributing to the GASB's efforts to codify all sources of generally accepted accounting principles for state and local governments so that they derive from a single source. This statement was issued in January 2010 and is effective for periods beginning after December 15, 2011. We are currently evaluating the effect of this standard on the financial statements.

GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,* provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The requirements of this Statement will improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on government's net position. This statement was issued in June 2011 and is effective for periods beginning after December 15, 2011. We are currently evaluating the effect of this standard on the financial statements.

GASB Statement 64, *Derivative Instrument; Application of Hedge Accounting Termination Provisions,* sets forth criteria to establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The requirements of this statement enhance comparability and improve financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty, or a swap counterparty's credit support provider, is replaced. This statement was issued in June 2011 and is effective for periods beginning after June 15, 2011. We are currently evaluating the effect of this standard on the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectable within the current period or soon enough afterwards to pay liabilities of the current period. All revenue sources included in the governmental funds, namely federal, state and local grants as well as sales tax revenue, utilize this revenue recognition methodology.

In fiscal 2010, the following governmental funds are considered non-major: Transit Reserve Fund, Rail Reserve Fund, Exchange Fund, BART Car Exchange, Feeder Bus Fund, Proposition 1B Fund, and AB 664 Net Toll Revenue Reserves Fund. Since these funds did not meet the major fund test, management has included them in Non-Major Governmental Funds, with the exception of AB 664 Net Toll Revenue Reserves Fund, which MTC elected to present as a major fund. The following funds are considered major governmental funds: MTC General Fund, STA Fund and Capital Projects Fund.

In fiscal 2011, Rail Reserve Fund and AB 664 Net Toll Revenue Reserves Fund met the major fund test while the Capital Projects Fund did not. The following funds are considered non-major in fiscal 2011: Transit Reserve Fund, Exchange Fund, BART Car Exchange, Feeder Bus Fund, Proposition 1B Fund and Capital Projects Fund. The following funds are considered major governmental funds: MTC General Fund, STA Fund, Rail Reserve Fund, and AB 664 Net Toll Revenue Reserves Fund.

The balance sheet and statements of revenues, expenditures and changes in fund balances and budget to actual statements of revenues and change in fund balances are presented for these funds.

D. Budgetary Accounting

Enabling legislation and adopted policies and procedures provide that MTC approve an annual budget by June 30 of each year. Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental and proprietary funds. MTC also approves a life of project budget whenever new capital projects are approved. MTC presents a preliminary budget in May and a final budget in June. MTC conducts hearings for discussion of the proposed annual budget and at the conclusion of the hearings, but not later than June 30, adopts the final budget for the following fiscal year. The appropriated budget is prepared by fund, project and expense type. The legal level of control is at the fund level and the governing body must approve additional appropriations. Budget amendments are recommended when needed. Operating appropriations lapse at fiscal year-end.

MTC employs the following practices and procedures in establishing budgetary data as reflected in the basic financial statements:

- Annual budgets are adopted on the modified accrual basis of accounting for governmental fund types. These include the general fund, plus major and non-major special revenue funds. Capital budgets are adopted on a project life-to-date basis.

- Annual budgets are adopted on the accrual basis for the proprietary fund types.

E. Encumbrances

Encumbrance accounting is employed in the general, capital project and special revenue funds. Under this method, purchase orders, contracts, memoranda of understanding and other commitments outstanding at year-end do not constitute expenditures or liabilities. GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, provides additional guidance on the classification within the fund balances section of amounts that have been encumbered. Encumbrances of balances within the General and Capital Project funds are classified as committed and are included in the "transportation projects" category. These encumbrances, along with encumbrances of balances in funds that are restricted, committed or assigned, are not separately classified in the financial statements, and are summarized as follows:

	2011	2010
General Fund	$ 1,231,773	$ 1,708,055
AB 664 Net Toll Revenue	31,960,111	32,572,550
State Transit Assistance Fund	6,648,663	5,859,335
Rail Reserve	108,939,536	-
Non-major Governmental Funds	12,167,063	39,890,582
Capital	-	12,962

In fiscal 2011, the Clipper® capital program is removed from the capital projects fund and the capital project fund is reported in the Non-major Governmental Funds. In addition, the Rail Reserve fund is reported as a major fund in fiscal 2011. See Note 1.A for discussion of fund classifications.

F. Net Assets

Net assets/(deficit), presented in the government-wide financial statements, represent residual interest in assets after liabilities are deducted. MTC net assets/(deficit) consist of three sections: Invested in capital assets, net of related debt, as well as restricted and unrestricted. Net assets are reported as restricted when constraints are imposed by creditors, grantors, contributors, laws or regulations or other governments or enabling legislation. Restricted net assets consist of amounts restricted for capital projects and other purposes as follows:

	2011	2010
Capital Projects	$ 298,998,689	$ 423,910,614
Other Purposes:		
O&M reserve, under debt covenant	150,000,000	150,000,000
Extraordinary loss reserve, under Caltrans COOP	50,000,000	50,000,000
Long-term receivable restricted for rail projects	21,000,000	29,000,000

OPEB Prefunding	7,384,385	7,384,385
STA	1,953,808	2,734,027
Other	3,041,184	4,515,294
Total Other Purposes	$ 233,379,377	$ 243,633,706

G. Fund Balances

Fund balances, presented in the governmental fund financial statements, represent the difference between assets and liabilities reported in a governmental fund. GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental funds. GASB Statement No. 54 requires that the fund balances be classified into categories based upon the type of restrictions imposed on the use of funds. MTC evaluated each of its funds at June 30, 2011 and June 30, 2010 and classified fund balances into the following five categories:

- Nonspendable – Items that cannot be spent because they are not in spendable form, such as prepaid items, are reported in the general fund.
- Restricted – Items that are restricted by external parties such as creditors or imposed by grants, law or legislation. MTC has legislative restrictions on amounts collected for various transportation and rail projects included in the AB 664 toll revenue, STA, BART car exchange, Transit Reserve, Feeder Bus, Rail Reserve, Proposition 1B and capital projects funds.
- Committed – Items that have been committed by formal action by the entity's "highest level of decision-making authority," which MTC considers to be Commission resolutions. This level of approval has been reported in the general fund, capital projects fund and the exchange fund in establishing the benefits reserve, building reserve and professional services reserve.
- Assigned – Items that have been allocated by committee action where the government's intent is to use the funds for a specific purpose. MTC considers this level of authority to be the Administration Committee. There are no such restrictions on MTC's fund balances.
- Unassigned – This category is for any balances that have no restrictions placed upon them.

MTC reduces restricted amounts first when expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available. MTC reduces committed amounts first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

GASB Statement No. 54 also clarifies definitions for governmental fund types. MTC evaluated each of its funds at June 30, 2011and June 30, 2010 and provided additional information with respect to the purpose of each fund (see Note 1.A.). For MTC, this evaluation did not result in a reclassification of funds within the governmental fund types for fiscal years 2011 and 2010.

H. Cash and Investments

MTC applies the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, which generally requires investments to be recorded at fair value with the difference between cost and fair value recorded as an unrealized gain or loss. Investments are stated at fair value based upon quoted market prices. MTC reports its money market investments and participating interest-earning investment contracts at amortized cost. This is permissible under this standard provided those investments have a remaining maturity at the time of purchase of one year or less and that the fair value of those investments is not significantly affected by the credit standing of the issuer or other factors. Net increases or decreases in the fair value of investments are shown in the Statements of Revenues, Expenditures and Changes in Fund Balance for all governmental fund types and in the Statements of Revenues, Expenditures and Changes in Net Assets for the proprietary funds. Accounting for derivative investments is described in Note 1.Q.

MTC invests its available cash under the prudent investor rule. The prudent investor rule states, in essence, that "in investing … property for the benefit of another, a trustee shall exercise the judgment and care, under the circumstance then prevailing, which people of prudence, discretion, and intelligence exercise in the management of their own affairs." This policy affords the MTC a broad spectrum of investment opportunities as long as the investment is deemed prudent and is authorized under the California Government Code Sections 53600, et seq. Investments allowed under the MTC investment policy include the following:

- Securities of the U.S. Government or its agencies
- Securities of the State of California or its agencies
- Certificates of deposit issued by a nationally or state chartered bank
- Bankers' acceptances
- Authorized pooled investment programs
- Commercial paper – Rated "A1" or "P1"
- Corporate notes – Rated "A" or better
- Municipal bonds
- Mutual funds – Rated "AAA"
- Other investment types authorized by state law and not prohibited in the MTC investment policy

Cash and Cash Equivalents

MTC considers all highly liquid investments with a maturity of three months or less at date of purchase to be cash and cash equivalents as they are readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value. Deposits in the cash management pool of the County of Alameda are presented as cash and cash equivalents as they are available for immediate withdrawal or deposit at any time without prior notice or penalty and there is no significant risk of principal.

Variable rate demand obligations (VRDOs) are also presented as cash and cash equivalents. VRDOs have liquidity instruments that allow the securities to be put either with same day or with seven days notice, depending on the security, and there is no significant risk of principal.

Restricted Cash

Certain cash is restricted as these assets are either advances used for a specific purpose with the balance being refunded upon project completion, prepaid customer deposits for the FasTrak® program, or funds restricted for debt service.

Restricted Investments

Certain investments are classified as restricted on the Statement of Net Assets because their use is limited externally by applicable bond covenants, laws or regulations or there exists an imposed restriction through enabling legislation.

Non-current cash, cash equivalents, and investments

Certain cash, cash equivalents, and investments are non-current as these funds are not available to be expended for current operations with the next fiscal year.

I. Capital Assets

Capital assets, which include buildings and improvements, office furniture and equipment, leased equipment, automobiles and call boxes and software, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital asset acquisitions are recorded at historical cost. MTC's intangible assets consist of internally developed software. Depreciation and amortization expenses for the governmental activities are charged against general government function.

Capital assets are defined as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of three years.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation and amortization are computed using the straight-line method that is based upon the estimated useful lives of individual capital assets. The estimated useful lives of capital assets are as follows:

	Years
Buildings and improvements	10-45
Office furniture and equipment	3-10
Intangible assets	5-7
Leased equipment	5
Automobiles	3
Call boxes	10

J. Retirement Plans

MTC provides a defined benefit pension plan, the Miscellaneous Plan of Metropolitan Transportation Commission (the "Plan") which provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Plan is part of the Public Agency portion of the Public Employees' Retirement System (CalPERS). CalPERS provides an actuarial determined contribution rate that is applied to eligible covered payroll cost on a monthly basis by MTC. These costs are included in salaries and benefits expense. For additional information on MTC's retirement plan, refer to Note 8.

K. Post Employment Healthcare Benefits

MTC pays certain health care insurance premiums for retired employees. These costs are not recorded in a fiduciary fund by MTC as the assets underlying these future benefits are not managed by MTC. The annual required contribution is recorded in salaries and benefits. See Note 9 for further detail on the cost and obligations associated with these other post employment benefits (OPEB).

L. Compensated Absences

MTC's regular staff employees accumulate vacation pay and sick leave pay based on the agreement with the Committee for Staff Representation pursuant to the Meyers–Milias–Brown Act. A liability exists for accumulated vacation and sick leave. The compensated absences liability presented in the government-wide governmental activities totals $3,368,338 and $3,267,841 at June 30, 2011 and 2010, respectively. Unused accumulated sick and vacation leave is paid at the time of employment termination up to a maximum of 240 hours for sick leave as well as the total accumulated vacation leave per employee from the general fund. A summary of changes in compensated absences for the year ended June 30, 2011 is as follows:

	Beginning Balance July 1, 2010	Additions	Reductions	Ending Balance June 30, 2011	Due Within One Year
Compensated Absences	$ 3,267,841	$ 2,088,088	$ (1,987,591)	$ 3,368,338	$ 1,476,589

A summary of changes in compensated absences for the year ended June 30, 2010 is as follows:

	Beginning Balance July 1, 2009	Additions	Reductions	Ending Balance June 30, 2010	Due Within One Year
Compensated Absences	$ 3,120,636	$ 2,031,169	$ (1,883,964)	$ 3,267,841	$ 1,439,087

M. Reconciliation of government-wide and fund financial statements

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balance – total governmental funds and changes in net assets of governmental activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures." However, in the statement of activities the cost of those assets is allocated over their estimated useful life and reported as depreciation expense.

The details of the $(697,659) and $(491,414) difference for fiscal 2011 and 2010 are as follows:

	2011	2010
Capital outlay	$ 66,222	$ 257,096
Depreciation expense	(763,881)	(748,510)
Net adjustment to increase net changes in fund balances–total governmental funds to arrive at change in net assets of governmental activities	$ (697,659)	$ (491,414)

N. Pledged Revenue to Bay Area Infrastructure Financing Authority

In December 2006, BATA entered into a contribution agreement with the State of California whereby BATA pledged to transfer the state's future scheduled payments designated for the Toll Bridge Seismic Retrofit Program to BAIFA. BAIFA issued $972,320,000 of bonds called State Payment Acceleration Notes (SPANs) collateralized solely by BATA's pledge of state payments. BAIFA agreed to apply the proceeds from the SPANs for the costs of issuance and for the seismic retrofit program. The scheduled payments are identified and authorized by state statutes. State payments pledged by BATA total $1,135,000,000. Pledged state payments are scheduled from fiscal years 2007 to 2014. In the contribution agreement, BATA pledged and assigned to BAIFA all BATA's rights to the future state payments.

In fiscal year 2011, the amount of pledged payments from the state received by BATA and paid to BAIFA was $153,000,000.

The accounting for the above transactions are prescribed by GASB Statement No. 48, *Sales and Pledges of Receivables and Intra-Entity Transfers of Assets and Future Revenues,* which establishes criteria to ascertain whether proceeds derived from an exchange of an interest in expected cash flows from specific receivables or specific future revenues for immediate cash payments be reported as revenue or as collateralized borrowing. BATA adopted this pronouncement early for fiscal 2007 and as a result reported the exchange of the SPAN proceeds for the interest in expected future cash flow from Caltrans as collateralized borrowing by BATA and a receivable by BAIFA.

O. Due to/from other funds

The Due to/from other funds includes a lump sum payment from BATA to MTC. Details of the transaction are described below.

Street and Highway codes sections 30890, 30911 and 30914 require BATA to transfer a specific percentage of the net base toll collection to MTC annually. The transfers are called AB 664 Net Toll Revenue Reserve, Transit Reserve, and Rail Reserve transfers.

In April 2010, MTC entered into a funding agreement with BATA, whereby BATA would make a lump sum payment equal to the present value of the next 50 years of the above funds transfers by September 30, 2010. MTC and BATA agreed that the payment would fulfill BATA's entire responsibility to make AB 664 Net Toll Reserve, Transit Reserve, and Rail Reserve fund transfers for the next 50 years. MTC would use the payment to fund the planned essential regional transportation projects.

GASB Statement No. 48, *Sales and Pledges of Receivables and Intra-Entity Transfers of Assets and Future Revenues,* establishes the criteria to account for the above transactions. The $506,986,537 lump sum payment from BATA to MTC met the criteria of the intra-entity sale of future revenues. GASB 48 paragraph 15, requires the intra-entity sale of future revenue to be accounted for as a deferred charge and deferred revenue and be amortized over the life of the agreement. The balances in the deferred revenue and deferred charge are reported as due to/from other funds for financial reporting in accordance with GASB 48. The amortization for this fiscal year is $23,261,801.

P. Unearned Revenue

The unearned revenue in BATA consists of the funds collected by the Regional Customer Service Center (RCSC). The funds collected by RCSC are prepayments for tolls or represents a deposit from patrons. The patrons are issued transponders with the prepaid amounts for usage against tolls on the California bridges. Patrons are required to contribute a deposit if they pay by check. Unearned revenue also consists of a payment from JP Morgan Chase Bank, N.A. for a termination of an option and amendment of a swap. This unearned revenue will be amortized over the life of the swap. See Note 5 for more details on this transaction.

Q. Derivative Instruments

Derivative instruments used by BATA are swap contracts that have a variable or fixed payment based on the price of an underlying interest rate or index. Hedging derivative instruments are used to reduce financial risks, such as offsetting increases in interest costs, by offsetting changes in cash flows of the debt, the hedged item. These derivative instruments are evaluated to determine if the derivative instrument is effective in significantly reducing the identified financial risk at year end. If the derivative instrument is determined to be an effective hedge, its fair value is an asset or liability with a corresponding deferred outflow or inflow on the Statement of Net Assets. Deferred outflow or inflow constitutes changes in fair value of effectively hedged derivative instruments. This account is neither an asset nor a liability. If the derivative instrument is determined to be an ineffective hedge or when there is no hedgeable item, the derivative instrument is considered to be an investment derivative; its fair value is an asset or liability on the Statement of Net Assets and the change in fair value is recognized against investment revenue in the Statement of Activities. See additional discussion in Note 5.

R. Toll Revenues Collected

After tolls are collected by Caltrans and transferred to BATA, BATA accounts for the electronic tolls and cash collected from the operation of the bridges as revenue. The revenues are used for RM 1, RM 2 and Seismic Retrofit programs. BATA recognizes toll revenue as amounts are collected from vehicle utilization of the toll bridges.

S. Operating Expenditures Incurred by Caltrans

In accordance with the Cooperative Agreement between BATA and Caltrans, BATA reimburses Caltrans for certain costs incurred for bridge operating expenditures. These expenses include maintenance, administration, operations and overhead costs.

T. Investment Income

Investment income (charge) is comprised of interest income from investments and the changes in the fair value of investment derivative instruments. The investment derivative component is in accordance with GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* which requires the change in fair value of the derivative instruments which no longer have an underlying item to effectively hedge, are reported in investment income. The following table shows the breakdown of investment income for the fiscal years ended June 30, 2011 and 2010:

	Governmental Activities	BATA	SAFE	Total Business-Type Activities	Total 2011	Total 2010
Investment income	$ 2,856,238	$ 12,059,206	$ 6,451	$ 12,065,657	$ 14,921,895	$ 10,870,826
Investment derivative	-	21,386,552	-	21,386,552	21,386,552	(23,551,920)
	$ 2,856,238	$ 33,445,758	$ 6,451	$ 33,452,209	$ 36,308,447	$ (12,681,094)

U. Distributions to Caltrans for Their Capital Purposes

In accordance with the Cooperative Agreement between BATA and Caltrans, BATA reimburses Caltrans for bridge capital expenses. Expenses are reflected to the extent Caltrans bills are presented to MTC that relate to the period through the end of the fiscal year.

V. Distributions to Others for Their Capital Purposes

Expenses are recorded to the extent of the invoices presented to MTC through the end of the fiscal year.

W. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

X. Build America Bonds Interest Subsidy

The interest subsidy on the BABs was $72,638,218 for fiscal 2011. Of this amount, $19,140,384 is included as a year end accrual. The federal government makes a semiannual payment on April 1 and October 1 of each year.

Y. Operating and Non-operating Revenues and Expenses

Operating revenues are those necessary for principal operations of the entity. Operating expenses are those related to user service activities. Non-operating revenues and expenses are all others revenues and expenses not related to user service activities.

2. UNRESTRICTED NET ASSET/(DEFICIT)

MTC's unrestricted net deficit arises in its business-type activities. For the business-type activities, BATA is responsible for providing Caltrans funding for bridge repairs related to the seven state-owned bridges. Expenses related to these payments to Caltrans are treated as expenses since BATA does not own or maintain title to the bridges. This deficit will be reduced through operating income earned in the future as the toll revenue debt is retired and the project is completed. For governmental activities, an unrestricted net deficit existed at June 30, 2010 due to the long-term payable to BATA. As it makes annual payments to BATA, the unrestricted net asset deficit will be reduced by the payments until the liability is paid off. BATA made a lump sum payment to MTC equal to the present value of the next 50 years of the net base toll collections on September 30, 2010 which has resulted in a net asset position for the governmental activities as of June 30, 2011.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

A. A summary of Cash, Cash Equivalents and Investments as shown on the Statement of Net Assets for all funds at June 30, 2011 and 2010 is as follows:

	2011	2010
Unrestricted cash and cash equivalents	$ 803,865,139	$ 1,666,968,829
Unrestricted investments	798,864,664	671,485,973
Total unrestricted cash, cash equivalents and investments	1,602,729,803	2,338,454,802
Restricted cash and cash equivalents	1,640,090,578	229,079,220
Restricted investments	1,206,155,506	470,858,125
Total restricted cash, cash equivalents and investments	2,846,246,084	699,937,345
Total cash, cash equivalents and investments	$ 4,448,975,887	$ 3,038,392,147

The details of restricted cash, cash equivalents and investments are as follows:

	2011	2010
FasTrak® program	$ 57,570,402	$ 47,063,663
Escrow account	540,824	42,593
Operations and maintenance reserve	150,000,000	150,000,000
Debt service reserve	456,507,625	358,975,732
Bond proceeds for capital projects	1,237,358,753	-
Extraordinary loss reserve	50,000,000	50,000,000
Rehabilitation reserve	120,000,000	-
Projects/operating reserves	680,000,000	-
BART car replacement project	94,268,480	93,855,357
Total restricted cash, cash equivalents and investments	$ 2,846,246,084	$ 699,937,345

Restricted cash on the FasTrak® program consists of customer prepaid tolls and deposits from patrons. The patrons are issued transponders with the prepaid amounts for usage against tolls on the California bridges. Tolls are deducted from customers' prepaid toll accounts as customers cross the bridge. Operations and maintenance, Debt service reserve, Bond proceeds for capital projects, Extraordinary loss reserves, Rehab reserves as well as the Projects/operating reserves are described in Note 5. The BART car replacement project is described in Note 1.A.v.

B. The composition of cash, cash equivalents and investments at June 30, 2011 and 2010 is as follows:

	2011	2010
Cash at banks	$ 288,932,052	$ 255,901,124
Money market mutual funds	283,956,941	340,687,979
County of Alameda	43,938,157	180,107,587
Government-sponsored enterprises:		
Federal Home Loan Bank	1,243,211,749	847,431,107
Federal Home Loan Mortgage Corporation	1,081,367,917	499,930,721
Federal National Mortgage Association	1,197,944,670	680,887,181
Federal Farm Credit Bank	59,989,145	35,015,625
Tennessee Valley Authority	-	9,686,800
Municipal Bonds	249,314,630	188,425,000
Local Agency Investment Fund	320,626	319,023
Total cash, cash equivalents and investments	$ 4,448,975,887	$ 3,038,392,147

MTC holds a position in the investment pool of County of Alameda in the amount of $43,938,157 and $180,107,587 at June 30, 2011 and 2010. The Transportation Development Act (TDA) requires that STA and local TDA funds be deposited with the County Treasury. The County of Alameda is restricted by state code in the types of investments it can make. Further, the County Treasurer has a written investment policy approved by the Board of Supervisors and also has an investment committee, which performs regulatory oversight for its pool as required by California Government Code Section 27134. The County's investment policy authorizes the County to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, certificates of deposit, commercial paper prime rated by at least two agencies if maturity is greater than 30 days, banker's acceptances, repurchase agreements, reverse repurchase agreements, and the State Treasurer's investment pool. The position in the external investment pool at the County of Alameda is recorded at fair value at June 30, 2011 determined by the fair value per share of the pool's underlying portfolio. The investment holdings with the County of Alameda account for approximately 1 percent of MTC's investment portfolio. Deposits with the County of Alameda are available for immediate withdrawal.

MTC holds $320,626 and $319,023 at June 30, 2011 and 2010 in the Local Agency Investment Fund (LAIF). MTC's investment policy allows investment in LAIF as authorized by Government Code section 16429. LAIF is a program created by statute as an investment alternative for California's local governments and special districts. LAIF investments account for approximately 0.01 percent of MTC's total cash and investment portfolio.

MTC's portfolio includes four money market mutual fund investments at June 30, 2011 and five money market mutual investments at June 30, 2010. The mutual fund investments in MTC's investment portfolio are expressed as a percentage of MTC's total cash and investments as follows:

	2011	2010
B of A Government Reserves Adviser	1 %	1%
Dreyfus Gov't Cash Mgmt Institutional	less than 1 %	0%
BlackRock T- Fund Institutional	less than 1 %	1%
California Asset Management Program	5 %	8%
PFM Funds Government Series	0%	2%

B of A Government Reserves Adviser funds are part of the overnight sweep fund utilized by Bank of America checking accounts and invested in short-term debt securities that have relatively low risk, including, in some cases, securities issued or guaranteed by the U.S. Government. The fund is rated "AAA" by both Standard & Poor's and Moody's.

The Dreyfus Government Cash Management fund is part of the overnight sweep fund utilized by Bank of New York custodial accounts and invests in securities issued or guaranteed as to the principal and interest by the U.S. government or its agents or instrumentalities, and repurchase agreements. The fund is rated "AAA" by both Standard & Poor's and Moody's.

The BlackRock T-Fund Institutional is part of the overnight sweep fund utilized by Union Bank accounts, and invests primarily in money market instruments including U.S. Treasury bills, notes, obligations guaranteed by the U.S. Treasury and repurchase agreements fully collateralized by such obligations. The fund is rated "AAA" by both Standard & Poor's and Moody's.

The California Asset Management Program (CAMP) is a joint powers authority and common law trust. The Trust's Cash Reserve Portfolio is a short-term money market portfolio, which seeks to preserve principal, provide daily liquidity and earn a high level of income consistent with its objectives of preserving principal. CAMP's money market portfolio is rated "AAA" by Standard & Poor's.

State law and MTC policy limit mutual fund investments to 20 percent of the portfolio, with no more than 10 percent of the portfolio in any single fund. All the mutual fund holdings are highly rated by Standard & Poor's and Moody's, and are considered to be cash and cash equivalents.

The Government-Sponsored Enterprises (GSE) holdings carry "AAA" ratings. Neither State law nor MTC policy imposes a limit to the amount of GSE within the portfolio. The GSE holdings include Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC), Federal National Mortgage Association (FNMA), Federal Farm Credit Bank (FFCB) and Tennessee Valley Authority (TVA).

Municipal bonds are comprised of variable rate demand obligations (VRDOs) issued by various California local agencies. The VRDOs are presented as cash and cash equivalents. VRDOs have liquidity instruments that allow the securities to be put same day or with seven days notice, depending on the security.

C. Deposit and Investment Risk Factors

There are many factors that can affect the value of investments. MTC invests substantially in fixed income securities, which are affected by credit risk, custodial credit risk, concentration of credit risk, and interest rate risk. The credit ratings of MTC's income securities holdings are discussed in Note 1.H.

i.) Credit Risk

Fixed income securities are subject to credit risk, which is the possibility that the security issuer will fail to pay interest or principal in a timely manner, or that negative perceptions of the issuer's ability to make these payments will cause security prices to decline.

A bond's credit quality is an assessment of the issuer's ability to pay principal and interest on the bond. Credit quality may be evaluated by a nationally recognized independent credit-rating agency. The lower the rating is, the greater the chance (in the opinion of the rating agency) that the bond issuer will default, or fail to meet its obligations. See credit ratings in B. above.

ii.) Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the custodian, the investments may not be recovered. All securities are held in independent safekeeping accounts maintained with Union Bank or Bank of New York Mellon (BONY), and are held in the name of the Agency. As a result, custodial credit risk is remote.

iii) Concentration of Credit Risk

Concentration of credit risk is the risk associated with lack of diversification, such as having substantial investments in a few individual issuers, thereby exposing the organization to greater risks resulting from adverse economic, political, regulatory or credit developments. Investments in issuers that represent 5 percent or more of total cash and investments at June 30, 2011 and 2010 are presented on the following page.

	2011	2010
Federal Home Loan Bank (FHLB)	28%	28%
Federal National Mortgage Association	27%	22%
Federal Home Loan Mortgage Corporation	24%	16%

iv) Interest Rate Risk

Interest rate risk is the risk that the market value of fixed-income securities will decline because of rising interest rates. The prices of fixed-income securities with a longer time to maturity, measured by duration in years, tend to be more sensitive to changes in interest rates and, therefore, more volatile than those with shorter durations. MTC's policy is to buy and hold investments to maturity.

MTC holds $156.2 million in investments tied to floating rate benchmarks. The rate on the investment will reset on the LIBOR (London Interbank Offering Rate), Prime, or Federal funds indices.

Investment	Par Value	Structure	Final Maturity
FFCB	$20 million	1 mo LIBOR -(net) 6 bps to maturity	10/11
FFCB	$15 million	1 mo LIBOR -(net) 3 bps to maturity	5/12
FFCB	$15 million	Prime - (net) 295 bps to maturity	5/13
FFCB	$10 million	1 mo LIBOR -(net) 1 bps to maturity	11/13
FHLB	$40 million	1 mo LIBOR -(net) 5 bps to maturity	9/11
FHLB	$10 million	Fed Funds + 10 bps to maturity	1/12
FHLB	$6.2 million	Fed Funds + 12.5 bps to maturity	7/12
FHLMC	$20 million	Fed Funds + 17 bps to maturity	1/13
FNMA	$20 million	Prime - (net) 285 bps to maturity	2/13

MTC's investment portfolio consists of some variable rate demand obligations (VRDOs). VRDOs have liquidity instruments that allow the securities to be put either with same day or with seven days notice, depending on the security, and there is no significant risk of principal. Interest rates on the securities are reset daily or weekly and will fluctuate with the market at any given time which could result in an increase or decrease to the interest revenue earned.

The weighted average maturities of MTC's Government Sponsored Enterprises (GSE) securities (expressed in number of years) at June 30, 2011 and 2010 are as follows:

	2011	2010
Government-sponsored enterprises		
Federal Home Loan Bank	0.50	0.41
Federal Farm Credit Bank	0.78	1.34
Federal Home Loan Mortgage Corporation	0.49	0.13
Federal National Mortgage Association	0.33	0.52
Tennessee Valley Authority	N/A	0.55

4. CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2011 is as follows:

Governmental activities	**Beginning Balance July 1, 2010**	**Increases**	**Decreases**	**Ending Balance June 30, 2011**
Capital assets, not being depreciated:				
Office furniture and equipment	$ 73,056	$ 16,395	$ (73,056)	$ 16,395
Total capital assets, not being depreciated	73,056	16,395	(73,056)	16,395
Capital assets, being depreciated:				
Buildings and improvements	12,689,557	29,491	-	12,719,048
Office furniture and equipment	2,532,327	93,391	(17,080)	2,608,638
Leased equipment	168,489	266,638	(168,489)	266,638
Automobiles	171,821	-	(17,572)	154,249
Total capital assets being depreciated	15,562,194	389,520	(203,141)	15,748,573
Less accumulated depreciation for:				
Buildings and improvements	5,072,755	651,894	-	5,724,649
Office furniture and equipment	2,288,163	68,684	(17,080)	2,339,767
Leased equipment	160,065	39,532	(168,489)	31,108
Automobiles	168,050	3,771	(17,572)	154,249
Total accumulated depreciation	7,689,033	763,881	(203,141)	8,249,773
Total capital assets, being depreciated, net	7,873,161	(374,361)	-	7,498,800
Governmental activities capital assets, net	$ 7,946,217	$ (357,966)	$ (73,056)	$ 7,515,195

Business-type activities	**Beginning Balance July 1, 2010**	**Increases**	**Decreases**	**Ending Balance June 30, 2011**
Capital assets, not being depreciated:				
Office furniture and equipment	$ 1,143,804	$ -	$ (1,143,804)	$ -
Intangible assets	3,148,720	1,332,679	(1,119,029)	3,362,370
Call boxes	768,954	465,827	(200,451)	1,034,330
Total capital assets, not being depreciated	5,061,478	1,798,506	(2,463,284)	4,396,700
Capital assets, being depreciated:				
Office furniture and equipment	5,959,171	1,229,750	-	7,188,921
Building and improvements	3,134,200	-	-	3,134,200
Automobiles	54,262	63,149	-	117,411
Intangible assets	5,635,876	1,213,202	-	6,849,078
Call boxes	11,613,543	200,451	(206,291)	11,607,703
Total capital assets being depreciated	26,397,052	2,706,552	(206,291)	28,897,313
Less accumulated depreciation for:				
Office furniture and equipment	2,299,724	976,038	-	3,275,762
Building and improvements	608,952	130,420	-	739,372
Automobiles	26,284	35,629	-	61,913
Intangible assets	676,626	914,644	-	1,591,270
Call boxes	9,648,107	358,821	(206,063)	9,800,865
Total accumulated depreciation	13,259,693	2,415,552	(206,063)	15,469,182
Total capital assets, being depreciated, net	13,137,359	291,000	(228)	13,428,131
Business-type activities capital assets, net	$ 18,198,837	$ 2,089,506	$ (2,463,512)	$ 17,824,831

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	$ 763,881
Total depreciation expense – governmental activities	$ 763,881
Business-type activities:	
Toll bridge	$ 1,976,410
Congestion relief	439,142
Total depreciation expense – business-type activities	$ 2,415,552

A summary of changes in capital assets for the year ended June 30, 2010 is as follows:

Governmental activities	**Beginning Balance July 1, 2009**	**Increases**	**Decreases**	**Ending Balance June 30, 2010**
Capital assets, not being depreciated:				
Construction in progress	$ -	$ -	$ -	$ -
Office furniture and equipment	48,391	73,056	(48,391)	73,056
Total capital assets, not being depreciated	48,391	73,056	(48,391)	73,056
Capital assets, being depreciated:				
Buildings and improvements	12,577,948	111,609	-	12,689,557
Office furniture and equipment	3,148,593	120,821	(737,087)	2,532,327
Leased equipment	168,489	-	-	168,489
Automobiles	187,835	-	(16,014)	171,821
Total capital assets being depreciated	16,082,865	232,430	(753,101)	15,562,194
Less accumulated depreciation for:				
Buildings and improvements	4,427,165	645,590	-	5,072,755
Office furniture and equipment	2,959,934	60,171	(731,942)	2,288,163
Leased equipment	126,367	33,698	-	160,065
Automobiles	175,014	9,051	(16,015)	168,050
Total accumulated depreciation	7,688,480	748,510	(747,957)	7,689,033
Total capital assets, being depreciated, net	8,394,385	(516,080)	(5,144)	7,873,161
Governmental activities capital assets, net	$ 8,442,776	$ (443,024)	$ (53,535)	$ 7,946,217

Business-type activities	**Beginning Balance July 1, 2009**	**Increases**	**Decreases**	**Ending Balance June 30, 2010**
Office furniture and equipment	$ 1,952,579	$ 1,769,002	$ (2,577,777)	$ 1,143,804
Intangible assets	2,182,949	5,385,287	(4,419,516)	3,148,720
Call boxes	2,045,681	35,848	(1,312,575)	768,954
Total capital assets, not being depreciated	6,181,209	7,190,137	(8,309,868)	5,061,478
Capital assets, being depreciated:				
Office furniture and equipment	4,476,523	2,353,368	(870,720)	5,959,171
Building and improvements	3,134,200	-	-	3,134,200
Automobiles	54,262	-	-	54,262
Intangible assets	1,152,679	4,483,197	-	5,635,876
Call boxes	11,009,439	1,312,576	(708,472)	11,613,543
Total capital assets being depreciated	19,827,103	8,149,141	(1,579,192)	26,397,052
Less accumulated depreciation for:				
Office furniture and equipment	2,525,225	645,219	(870,720)	2,299,724
Building and improvements	478,532	130,420	-	608,952
Automobiles	8,196	18,088	-	26,284
Intangible assets	301,344	375,282	-	676,626
Call boxes	9,915,922	286,156	(553,971)	9,648,107
Total accumulated depreciation	13,229,219	1,455,165	(1,424,691)	13,259,693
Total capital assets, being depreciated, net	6,597,884	6,693,976	(154,501)	13,137,359
Business-type activities capital assets, net	$ 12,779,093	$ 13,884,113	$ (8,464,369)	$ 18,198,837

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	$ 748,510
Total depreciation expense – governmental activities	$ 748,510
Business-type activities:	
Toll bridge	$ 1,096,872
Congestion relief	358,293
Total depreciation expense – business-type activities	$ 1,455,165

5. LONG-TERM DEBT

Toll Revenue Bonds were issued by BATA in May 2001, February 2003, October 2004, February 2006, April 2006, May 2007, October 2007, June 2008, August 2008, August 2009, November 2009, July 2010, and November 2010 to (i) finance the cost of the design and construction of eligible projects of Regional Measure 1, Regional Measure 2, and the Seismic Retrofit projects for the Bay Area Bridges, (ii) to finance a Reserve Fund, (iii) pay costs incurred in connection with the issuance of the bonds, and (iv) defease or refund bonds.

Senior Toll Revenue Fixed Rate Bonds (2009 Series F1) were issued during August 2009 to (i) refund and fix the 2001 Series B-C, 2003 Series C, 2004 Series A-C, 2006 Series B1, and 2007 Series G2-G3, (ii) make a cash deposit to the Reserve Fund, and (iii) pay the costs of issuing the 2009 Series F1 bonds.

The refundings were recorded as a current refunding in accordance with GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*.

Senior Toll Revenue Fixed Rate Bonds (2009 Series F2) were issued in November 2009 to (i) fund capital projects, (ii) make a cash deposit to the Reserve Fund, and (iii) pay the costs of issuing the 2009 Series F2 bonds. The Toll Revenue bonds were issued as federally taxable Build America Bonds (BABs) under the American Recovery and Reinvestment Act of 2009. BATA will receive a direct Federal subsidy payment in the amount equal to 35% of the interest expense on the BABs.

Subordinate Toll Revenue Bonds were issued July 2010 (2010 Series S1) to (i) fund capital projects, (ii) make a cash deposit to the Reserve Fund for the Series 2010 S1 Bonds and (iii) pay the costs of issuing the 2010 Series S1 Bonds. The Toll Revenue Bonds were issued as Federally Taxable BABs under the American Recovery and Reinvestment Act of 2009. BATA will receive a direct Federal subsidy payment in the amount equal to 35% of the interest expense on the BABs.

Subordinate Toll Revenue Bonds were issued in November 2010 (2010 Series S2 and S3) to (i) fund capital projects, (ii) make a cash deposit to the Reserve Fund for the 2010 Series S2 and the 2010 Series S3 Bonds and (iii) pay the costs of issuing the 2010 Series S2 and the 2010 Series S3 Bonds. Toll Revenue bonds in the amount of $410 million were issued as Tax Exempt Bonds and $475 million were issued as Federally Taxable BABs under the American Recovery and Reinvestment Act of 2009. BATA will receive a direct Federal subsidy payment in the amount equal to 35% of the interest expense for the BABs.

Senior Toll Revenue Bonds were reoffered during November 2010 for the 2001 Series A, 2006 Series C1-C4, 2007 Series A1, C1, G1, A2, B2, C2, D2, E3, and 2008 Series A1-E1and G1. The transaction was completed to replace the liquidity facilities with letters of credit issued by the financial institutions and does not provide any economic gain or loss. The reoffering was recorded as a current refunding in accordance with GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*.

Component Unit – BAIFA – State Payment Acceleration Notes (SPANs) were issued during December 2006 (2006 SPANs) to (i) finance the costs of the design and construction of the Toll Bridge Seismic Retrofit Capital Program for the Bay Area bridges, and (ii) pay costs incurred in connection with the issuance of the 2006 SPANs. More information is presented in Note 1.N.

Metropolitan Transportation Commission
Financial Statements for the years ended June 30, 2011 and 2010
Notes to Financial Statements

A summary of changes in long-term debt for the year ended June 30, 2011 is as follows:

Business-type activities	Issue Date	Interest Rate		Calendar Year Maturity	Original Amount	Beginning Balance July 1, 2010	Additions	Reductions		Ending Balance June 30, 2011	Due Within One Year
2001 Revenue Bond Series A	5/24/2001	4.10%	(2)	2036	$ 150,000,000	$ 150,000,000	$ -	$ -		$ 150,000,000	$ -
2001 Revenue Bond Series D	5/24/2001	4.86%	(1,3)	2011	100,000,000	7,160,000	-	(7,160,000)		-	-
2006 Revenue Bond Series C	2/8/2006	3.71%	(2)	2045	1,000,000,000	275,000,000	-	-		275,000,000	-
2006 Revenue Bond Series F	4/25/2006	4.59%	(1)	2031	1,149,205,000	1,043,260,000	-	(29,795,000)		1,013,465,000	31,215,000
2007 Rev Bond Ser(A1,C1,G1)	5/15/2007	3.71%	(2)	2047	500,000,000	150,000,000	-	-		150,000,000	-
2007 Revenue Bond Series F	5/15/2007	4.44%	(1)	2031	310,950,000	310,495,000	-	(35,000)		310,460,000	7,480,000
2007 Rev Bond Ser(A2-D2,E3)	10/25/2007	3.71%	(2)	2047	500,000,000	375,000,000	-	-		375,000,000	-
2008 Revenue Bond Series(A1-E1, G1)	6/5/2008	3.71%	(2)	2045	507,760,000	507,760,000	-	-		507,760,000	-
2008 Revenue Bond Series F1	8/28/2008	5.32%	(1)	2047	707,730,000	707,730,000	-	-		707,730,000	-
2009 Revenue Bond Series F1	8/20/2009	5.09%	(1)	2044	768,720,000	768,720,000	-	-		768,720,000	-
2009 Revenue Bond Series F2	11/5/2009	4.14%	(1,4)	2049	1,300,000,000	1,300,000,000	-	-		1,300,000,000	-
2010 Revenue Bond Series S1 Sub	7/1/2010	4.62%	(1,4)	2050	1,500,000,000	-	1,500,000,000	-		1,500,000,000	-
2010 Revenue Bond Series S2 Sub	11/4/2010	4.89%	(1)	2050	410,000,000	-	410,000,000	-		410,000,000	-
2010 Revenue Bond Series S3 Sub	11/4/2010	4.56%	(1,4)	2050	475,000,000	-	475,000,000	-		475,000,000	-
					$ 9,379,365,000	$ 5,595,125,000	$ 2,385,000,000	$ (36,990,000)		$ 7,943,135,000	$ 38,695,000
Unamortized bond premium / discount						74,375,110	10,787,624	(3,635,994)		81,526,740	
Deferred charge on bond refunding						(68,072,429)	(25,025,627)	3,076,845		(90,021,211)	
Net long-term debt as of June 30, 2011						$ 5,601,427,681	$ 2,370,761,997	$ (37,549,149)		$ 7,934,640,529	
Component Unit-BAIFA 2006 SPANs	12/14/2006	4.27%	(5)	2017	$ 972,320,000	$ 749,835,000	$ -	$ (57,370,000)	(6)	$ 692,465,000	$ -
Unamortized bond premium						35,629,247	-	(5,030,011)		30,599,236	
Net long-term debt as of June 30, 2011						$ 785,464,247	$ -	$ (62,400,011)		$ 723,064,236	

(1) Fixed rate bonds
(2) Total variable rate demand bonds(VRDBs) of $1,457,760 hedged with $1,440,000 notional swaps; as such the weighted swap and unhedged variable rate bond is presented. VRDBs are presented as long term debt in accordance with GASB Interpretation No. 1 as MTC has liquidity commitments. New liquidity agreements with an effective date of November 1, 2010 have been executed with expiration dates of 11/1/2013 and 10/31/2014 and are not cancellable by the lender.
(3) 2001 Series D bonds are issued as fixed rate bonds with a final maturity of 2018 before the defeasance. Post defeasance final maturity was 2011. The bonds carry interest rates ranging from 4.0% in 2006 to 5.5% in 2011 with a true interest cost of 4.865%
(4) Federal Taxable Build America Bonds
(5) 2006 Bay Area Infrastructure Financing Authority SPANs were issued as fixed rate bonds with a final maturity of 2017. The bonds carry interest rates ranging from 4.0% in 2007 to 5.0% in 2017, or an all-in true interest cost of 4.27%.
(6) Scheduled payment of $17.02 million and optional redemption payments of $40.35 million

A summary of changes in long-term debt for the year ended June 30, 2010 is as follows:

Business-type activities	Issue Date	Interest Rate	Calendar Year Maturity	Original Amount	Beginning Balance July 1, 2009	Additions	Reductions	Ending Balance June 30, 2010	Due Within One Year
2001 Revenue Bond Series A	5/24/2001	4.10% (2)	2036	$ 150,000,000	$ 150,000,000	$ -	$ -	$ 150,000,000	$ -
2001 Revenue Bond Series B	5/24/2001	4.10% (2)	2029	75,000,000	75,000,000	-	(75,000,000) (6)	-	-
2001 Revenue Bond Series C	5/24/2001	4.10% (2)	2025	75,000,000	75,000,000	-	(75,000,000) (6)	-	-
2001 Revenue Bond Series D	5/24/2001	4.86% (1,3)	2011	100,000,000	13,990,000	-	(6,830,000)	7,160,000	7,160,000
2003 Revenue Bond Series C	2/12/2003	3.76% (2)	2037	150,000,000	146,600,000	-	(146,600,000) (6)	-	-
2004 Revenue Bond Series A	10/5/2004	3.76% (2)	2039	75,000,000	72,450,000	-	(72,450,000) (6)	-	-
2004 Revenue Bond Series B	10/5/2004	3.76% (2)	2039	150,000,000	144,900,000	-	(144,900,000) (6)	-	-
2004 Revenue Bond Series C	10/5/2004	3.76% (2)	2039	75,000,000	72,455,000		(72,455,000) (6)	-	-
2006 Revenue Bond Series C	2/8/2006	3.76% (2)	2045	1,000,000,000	340,000,000	-	(65,000,000) (6)	275,000,000	-
2006 Revenue Bond Series F	4/25/2006	4.59% (1)	2031	1,149,205,000	1,071,740,000	-	(28,480,000)	1,043,260,000	29,795,000
2007 Rev Bond Ser(A1,C1,G1)	5/15/2007	3.76% (2)	2047	500,000,000	150,000,000	-	-	150,000,000	-
2007 Revenue Bond Series F	5/15/2007	4.44% (1)	2031	310,950,000	310,530,000	-	(35,000)	310,495,000	35,000
2007 Rev Bond Ser(A2-D2,E3)	10/25/2007	3.76% (2)	2047	500,000,000	500,000,000	-	(125,000,000) (6)	375,000,000	-
2008 Revenue Bond Series(A1-E1, G1)	6/5/2008	3.76% (2)	2045	507,760,000	507,760,000	-	-	507,760,000	-
2008 Revenue Bond Series F1	8/28/2008	5.32% (1)	2047	707,730,000	707,730,000	-	-	707,730,000	-
2009 Revenue bond Series F1	8/20/2009	5.09% (1)	2044	768,720,000	-	768,720,000	-	768,720,000	
2009 Revenue bond Series F2	11/5/2009	4.14% (1,4)	2049	1,300,000,000	-	1,300,000,000	-	1,300,000,000	
				$ 7,594,365,000	$ 4,338,194,995	$ 2,068,720,000	$ (811,750,000)	$ 5,595,164,995	$ 36,990,000
Unamortized bond premium/ discount					12,783,639	64,983,323	(3,391,852)	74,375,110	
Deferred charge on bond refunding					(58,209,768)	(12,380,071)	2,517,410	(68,072,429)	
Net long-term debt as of June 30, 2010					$ 4,292,768,866	$ 2,121,323,252	$ (812,624,442)	$ 5,601,467,676	
Component Unit-BAIFA 2006 SPANs	12/14/2006	4.27% (5)	2017	$ 972,320,000	$ 791,170,000	$ -	$ (41,335,000) (7)	$ 749,835,000	$ 17,020,000
Unamortized bond premium					40,659,258	-	(5,030,011)	35,629,247	
Net long-term debt as of June 30, 2010					$ 831,829,258	$ -	$ (46,365,011)	$ 785,464,247	

(1) Fixed rate bonds
(2) Variable bonds that are hedged with a swap; as such the weighted associated swap rate is presented. VRDBs are presented as long term debt in accordance with GASB Interpretation No. 1 as MTC has liquidity commitments obtained in support of the VRDBs. These commitments do not expire before June 30, 2010 and are not cancellable by the lender. New liquidity agreements with an effective date of November 1, 2010 have been executed with expiration dates of 11/01/2013 and 10/31/2014 and are not cancelable by the lender.
(3) 2001 Series D bonds are issued as fixed rate bonds with a final maturity of 2018 before the defeasance. Post defeasance final maturity is 2011. The bonds carry interest rates ranging from 4.0% in 2006 to 5.5% in 2011 with a true interest cost of 4.865%.
(4) Federal taxable Build America Bonds.
(5) 2006 Bay Area Infrastructure Financing Authority SPANs were issued as fixed rate bonds with a final maturity of 2017. The bonds carried interest rates ranging from 4.0% in 2007 to 5.0% in 2017, or an all-in true interest cost of 4.27%.
(6) Refunded with 2009 F1 proceeds.
(7) Scheduled payment of $8.7 million and optional redemption payments of $32.6 million

Annual funding requirements

The annual funding requirements (principal and interest) for the debt outstanding of the business-type activities at June 30, 2011 are as follows:

Business-type activities

Fiscal Year Ending	Principal Payments	Interest Payments	Total Payments
2012	$ 38,695,000	$ 355,897,459	$ 394,592,459
2013	40,540,000	354,163,703	394,703,703
2014	46,165,000	352,347,282	398,512,282
2015	48,195,000	350,278,828	398,473,828
2016	56,915,000	348,119,419	405,034,419
2017-2021	402,025,000	1,698,178,226	2,100,203,226
2022-2026	647,855,000	1,582,870,619	2,230,725,619
2027-2031	834,955,000	1,420,787,464	2,255,742,464
2032-2036	1,049,890,000	1,217,379,819	2,267,269,819
2037-2041	1,386,545,000	953,022,130	2,339,567,130
2042-2046	1,524,920,000	628,480,573	2,153,400,573
2047-2050	1,866,435,000	228,181,146	2,094,616,146
	$ 7,943,135,000	$ 9,489,706,668	$ 17,432,841,668

Component Unit - BAIFA

Fiscal Year Ending	Principal Payments	Interest Payments	Total Payments
2012	$ -	$ 29,568,256	$ 29,568,256
2013	-	29,568,256	29,568,256
2014	-	29,568,256	29,568,256
2015	61,745,000	29,568,256	91,313,256
2016	-	26,931,744	26,931,744
2017-2018	630,720,000	53,863,488	684,583,488
	$ 692,465,000	$ 199,068,256	$ 891,533,256

Bond Covenants – BATA

The Bay Area Toll Authority Bridge Toll Revenue Bonds are payable solely from pledged "Revenues" and all amounts held by the trustee in each fund and account (with exclusions) established under the Master Indenture dated as of May 1, 2001. Revenues and exclusions to the trustee funds and accounts are defined within the Master Indenture. BATA established a Reserve account under the 2001 Master Indenture.

The current reserve requirement is $317,488,099 to be used to pay debt service if pledged revenues are insufficient to satisfy the debt service payments. As of June 30, 2011 the market valuation of the reserves is $346,431,825.

In the fifth supplemental indenture dated February 2006, BATA covenanted to maintain toll revenue at levels that result in net operating revenue greater than 1.2 times annual debt service costs as defined in the master indenture dated May 1, 2001. In addition, BATA has agreed to maintain tolls at a level where net operating revenue plus the balance in the operations and maintenance reserve is at least 1.25 times total “fixed costs” as well as maintaining tolls at levels exceeding 1.0 times all fixed costs as costs are defined in this indenture.

BATA has also covenanted in the 2001 Indenture that no additional bonds shall be issued, unless the additional bonds are issued for refunding of 2001 Series bond purposes, or Net Revenue equates to greater than 150 percent of the combined maximum annual debt service of all outstanding parity bonds.

BATA has covenanted to maintain an operations and maintenance reserve of two times the adopted operations and maintenance budget for Caltrans toll operations and maintenance costs. At June 30, 2011, BATA had restricted $150 million as the restricted operations and maintenance reserve. BATA has also covenanted to maintain an emergency extraordinary loss reserve of not less than $50 million as referenced in the Cooperative Agreement with Caltrans. These amounts are shown as restricted assets for the year ended June 30, 2011. In addition, the BATA board has authorized a total of $800 million for emergency extraordinary loss reserves, which includes $120 million bridge rehabilitation as well as $680 million in projects/operating reserves.

The Senior bonds issued by BATA are collateralized by a first lien on all of its revenues after a provision for Caltrans costs for operations and maintenance of toll facilities and are not an obligation of the MTC primary government or any component unit other than BATA.

The Bay Area Toll Authority's Subordinate Bridge Toll Revenue Bonds are payable solely from pledged "Revenues" and all amounts held by the trustee in each fund and account (with exclusions) established under the Subordinate Indenture dated June 1, 2010. Revenues and exclusions to the trustee funds and accounts are defined within the Subordinate Indenture. BATA established a Reserve fund account under the 2010 Subordinate Indenture. The current reserve requirement of $109,699,751 is to be used to pay debt service if pledged revenues are insufficient to satisfy the debt service requirements. As of June 30, 2011 the market valuation of the reserves is $110,075,800.

In the first supplemental indenture dated June 2010, BATA covenanted to maintain toll revenue at levels that result in operating revenue greater than 1.2 times annual debt service costs as defined in the Subordinate Indenture dated June 2010.

BATA has also covenanted in the 2010 Subordinate Indenture that no additional bonds shall be issued unless the Available Revenue equates to greater than 120 percent of the combined maximum annual debt service of all outstanding parity bonds.

Bond Covenants – BAIFA

The BAIFA State Payment Acceleration Notes (SPANs) are payable solely from "Pledged Revenues" of BAIFA. The Indenture of Trust, dated December 1, 2006, defines Pledged Revenues as all scheduled payments allocated by the California Transportation Commission (CTC) to BAIFA, as well as revenue and all amounts held by the Trustee in each fund and account established under the indenture.

The SPANs issued by BAIFA do not constitute debt of the State, MTC, or BATA or any other political subdivisions of the State, MTC or BATA. More information is presented in Note 1.N.

Derivative Instruments

MTC adopted GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, retroactively beginning June 30, 2009.

MTC enters into derivative instruments to hedge interest rate risk and not for speculative or trading purposes. Existing derivatives are composed solely of interest rate swaps. All derivative instruments were determined to be effective hedging derivatives at June 30, 2009 except for a portion of the Series 2003, 2006 and 2007 pay-fixed interest rate swaps for which the hedged items for these derivative instruments were refunded in August 2008. Accordingly, the accumulated changes in fair value of the swaps were reported as a deferred outflow of resources of $28,290,143 at June 30, 2008 and $9,997,611 through the date of the transaction in August 2008, for a total of $38,287,754, was deferred in accordance with GASB Statement No. 23 over the life of the bonds. Hence, these swaps are now considered investment derivative instruments. Some of these investment derivatives with Ambac were terminated in July 2009.

The fair value of the hedged and investment derivatives in a liability position was ($235,691,226) and ($339,765,413) at June 30, 2011 and June 30, 2010 respectively, and recorded in the Statement of Net Assets as a non-current liability. The fair value of the hedged derivatives in an asset position was $507,207 and $10,328,500 at June 30, 2011 and June 30, 2010, respectively, and recorded in the Statement of Net Assets as a non-current asset. The change in the hedging derivative liabilities was recorded as deferred outflows of $181,713,091 and $263,198,577 at June 30, 2011 and June 30, 2010 respectively. The change in the hedging derivative assets from June 30, 2010 to June 30, 2011 of $9,821,293 resulted in a deferred inflow of $507,207 at June 30, 2011. The change in investment derivatives of $21,386,552 and $23,551,920 for fiscal year 2011 and fiscal year 2010, respectively, was recorded as an offset to investment income. See Note 1.T. for further details.

Cancellation of any or all of the swap transactions is subject to a fair market value calculation at the time of termination. Fair market value is calculated as the value at which the parties would voluntarily terminate the swap contract. The fair value balances and notional amounts of derivative instruments outstanding at June 30, 2011 and June 30, 2010, classified by type, and the changes in fair value of such derivative instruments as reported in the financial statements are as follows:

Business-type Activities	Decrease in Fair Value since June 30, 2010 Classification	Amount	Fair Value at June 30, 2011 Classification	Amount	Notional
Cash flow hedges:					
Pay-fixed interest rate swap	Deferred Outflow of Resources	$ 81,485,464	Noncurrent Liabilities	$ (181,713,091)	$ 1,076,000,000
Pay-fixed interest rate swap	Investment Income	(21,386,548)	Noncurrent Liabilities	(51,241,499)	364,000,000
Fair Value hedges:					
Receive-fixed interest swap	Deferred Inflow of Resource, net	12,557,929	Noncurrent Liabilities	(2,229,429)	488,845,000

There were no changes in fiscal 2011 as to the effectiveness of the swaps from the prior year.

Objective and Terms of Hedging Derivative Instruments

The following table displays the objective and terms of the derivative instruments outstanding along with the credit rating as of June 30, 2011 of the associated counterparty as well as the fair value of the derivative instrument.

	Standard & Poor's	Moody's
Bank of America, N.A.	A+	Aa3
Bank of New York Mellon	AA	Aaa
Citibank, N.A.	A+	A1
Wells Fargo N.A.	AA	Aa2
Goldman Sachs Mitsui Marine Derivative Products	AAA	Aa1
JP Morgan Chase Bank, N.A.	AA-	Aa1
Morgan Stanley Capital Services	A	A2

Amortized Notional Value	Counterparty		Fixed Payer Rate (A)		Value due from / (to) counterparty June 30, 2011		Value due from / (to) counterparty June 30, 2010
$75 million	Wells Fargo Bank N.A.	(1)	4.10%	$	(17,938,015)	$	-
$75 million	Morgan Stanley Capital Services Inc		4.09%		(17,823,274)		(21,437,457)
$75 million	Citigroup Financial Products		4.10%		-		(21,558,472)
$30 million	Bank of America, N.A.		3.63%		(4,817,503)		(6,388,049)
$225 million	Citibank, N.A. New York		3.64%		(29,067,313)		(38,415,243)
$245 million	JP Morgan Chase Bank, N.A.	(2)	4.00%		(42,923,354)		(41,516,689)
$50 million	Bank of America, N.A.		3.63%		(8,088,356)		(10,768,874)
$260 million	Citibank, N.A. New York		3.64%		(34,046,616)		(45,120,116)
$270 million	JP Morgan Chase Bank, N.A. AAA Enhanced ISDA	(3)	4.00%		-		(50,762,111)
$125 million	Bank of America, N.A.		3.64%		(20,264,739)		(26,819,678)
$60 million	Goldman Sachs Mitsui Marine Derivative Products LP		3.64%		(9,727,075)		(12,873,446)
$85 million	Goldman Sachs Mitsui Marine Derivative Products LP		3.64%		(13,904,860)		(18,470,862)
$170 million	Bank of New York Mellon		3.64%		(27,809,612)		(36,941,547)
$40 million	Bank of New York Mellon		3.64%		(6,543,873)		(8,692,869)
	Total Fixed Payer Swap				(232,954,590)		(339,765,413)
			Fixed Receiver Rate (B)				
$142.4 million	JP Morgan, Chase Bank, N.A.	(4)	3.71%		507,207		2,730,916
$146.4 million	Bank of New York Mellon	(5)	3.79%		(519,623)		2,872,840
$105.4 million	Citibank, N.A.		3.97%		-		1,666,486
$40 million	Bank of America, N.A.	(6)	3.76%		(733,417)		-
$160 million	Bank of America, N.A.	(7)	3.70%		(1,483,596)		3,058,258
	Total Fixed Receiver Swap				(2,229,429)		10,328,500
	Total Derivative Instrument - Fair Value			$	(235,184,019)	$	(329,436,913)

(A) Cash flow hedge paying fixed rate receiving variable rate based on LIBOR index
(B) Fair value hedge receiving fixed rate paying variable rate based on SIFMA index
(1) Novated from Citigroup Financial Products FY 2011
(2) Counterparty converted from JP Morgan Chase Bank, N.A. AAA Enhanced ISDA to JP Morgan Chase Bank N.A. FY 2011
(3) Terminated in FY 2011
(4) The fixed rate was amended to 3.71%
(5) The fixed rate was amended to 3.79%
(6) Novated from Citibank, N.A in FY 2011. The remaining notional amount of $65,355,000 was terminated by Citibank
(7) The fixed rate was amended to 3.70%

The termination value, or fair market value, BATA would pay to terminate all swaps on a voluntary basis is $236 million and $340 million on June 30, 2011 and June 30, 2010, respectively, and would receive $0.5 million and $10 million on June 30, 2011 and June 30, 2010, respectively. The fair value was determined by an independent outside pricing service. BATA's intent, however, is to maintain the swap transactions for the life of the financing, notwithstanding market opportunities to restructure.

In January 2002, BATA completed a contract to swap variable-to-fixed rate bonds with a notional amount of $300 million. In July 2009, $150 million of the swap associated with Ambac was terminated. The remaining counterparties to the transaction were Citigroup Financial Products for $75 million and Morgan Stanley Capital Services for $75 million. In May 2011, Citigroup Financial Products novated $75 million to Wells Fargo Bank, N.A. with terms and conditions unchanged. BATA will pay each respective counterparty a fixed rate ranging from 4.10% to 4.09% respectively while receiving a variable rate payment based on 65 percent of the one-month LIBOR index.

In November 2005, BATA approved a contract to swap variable-to-fixed rate bonds with a notional amount of $1 billion with an effective date of February 2006. In July 2009, $315 million of the swap associated with Ambac was terminated. Remaining counterparties to the transaction are JP Morgan Chase Bank, N.A. for $245 million, Citibank for $225 million, Goldman Sachs Mitsui Marine Derivative Products for $60 million, and Bank of America for $155 million. BATA will pay each counterparty a fixed rate ranging from 3.63 percent to 4.00 percent while receiving a variable rate payment based on varying percentages of LIBOR.

In November 2005, BATA completed another contract to swap variable-to-fixed rate bonds with a notional amount of $1 billion with an effective date of November 2007. In July 2009, $125 million of the swap associated with Ambac was terminated. In April 2011, $270 million of the swap associated with JP Morgan AAA ISDA was terminated. The remaining counterparties to the transaction are Citibank for $260 million, Bank of New York Mellon for $210 million, Goldman Sachs Mitsui Marine Derivative Products for $85 million and Bank of America for $50 million. BATA will pay each counterparty a fixed rate ranging from 3.63 percent to 3.64 percent while receiving a variable rate payment based on varying percentages of LIBOR.

In August 2008, BATA entered into four Securities Industry and Financial Market Association (SIFMA) fixed-to-float swaps. The counterparties to the transactions were JP Morgan Chase Bank, N.A. of $146.9 million, Bank of New York Mellon for $146.4 million, Citibank, N.A. for $105.4 million, and Bank of America, N.A. for $160 million. BATA received from each counterparty a fixed rate ranging from 3.90 percent to 4.00 percent while paying the SIFMA index. Each counterparty has a right, but not the obligation, to terminate the swaps on April 1, 2011.

In July 2009, BATA terminated its swaps with Ambac for $104,579,900 and recognized a loss on swap termination of $80,587,911. The net of the derivative instruments over the deferred outflow associated with the Ambac swaps was $23,991,989. The bonds associated with the Ambac swaps were the 2001 Series B-C, 2003 Series C, 2004 Series A-C, and some of the bonds from the 2006 and 2007 Series. The bonds that were associated with these swaps were subsequently refunded in August 2009.

In April 2011, JP Morgan Chase Bank, N.A., Bank of New York Mellon and Bank of America, N.A. extended and amended their SIFMA swaps. The collective banks extended the cancellation option and amended the swap rates with the notional amounts unchanged. The counterparties to the transactions are JP Morgan Chase Bank, N.A. for $142.4 million, Bank of New York Mellon for $146.4 million and Bank of America, N.A. for $160 million. The amended fixed rates BATA will receive from the counterparties range from 3.70 percent to 3.79 percent while paying the SIFMA index. Each counterparty has a right, but not the obligation, to terminate the swaps on April 1, 2014 without receiving a termination payment.

In April 2011, Citibank, N.A. novated $40 million of its $105.4 million SIFMA fixed-to-float swap to Bank of America, N.A. and exercised the par cancellation option terminating the remaining swap notional balance of $65.4 million. There was no exchange of payments. Also, in April 2011, BATA terminated the JP Morgan Chase Bank, N.A. AAA Enhanced ISDA 5-year Constant Maturity Swap (CMS) fixed payer swap for $19,622,000 and recorded a loss on swap termination of $15,683,211. BATA also terminated the CMS receipt option with JP Morgan Chase Bank, N.A. AAA Enhanced ISDA 10-year CMS fixed payer swap and amended the swap for receipt of 75.105% of a one-month LIBOR. The value of the amendment to BATA was $21,850,000 as a result of the termination and amendment. This payment was reported in unearned revenue and will be amortized over the life of the swap. The counterparty was also amended from JP Morgan Chase Bank, N.A. AAA Enhanced ISDA to JP Morgan Chase Bank, N.A. The swap notional amount was unchanged at $245 million.

BATA entered into fixed to floating rate swaps as a means of lowering long-term debt costs while maintaining a hedge against increases in short-term rates. Management is aware that swap transactions contain certain associated risks not traditionally associated with fixed-rate issues, particularly the risk of counterparty failure. However, management has structured the transaction with reasonable safeguards, including downgrade and collateral provisions required of all counterparties, as well as management's unilateral ability to cancel any transaction with 15 days notice.

The swap contracts address credit risk by requiring the counterparties to post collateral if: 1) the counterparty's credit rating is equal to or greater than "A-" and below "AA-" as determined by S&P or is equal to or greater than "A3" and below "Aa3" as determined by Moody's and the market value of its swaps exceeds $10 million; or 2) the counterparty's credit rating is below "A-" as determined by S&P or "A3" as determined by Moody's.

As of June 30, 2011, counterparties were not required to post collateral with a third party safekeeping agent.

The Debt and Swap Payment Tables that follow show the total interest cost of the swap payments. The total cost is determined by calculating the fixed rate payment to the counterparty, netting the variable rate payment received from the counterparty, total variable bond interest payments to bondholders, plus any associated administrative costs associated with the swap and variable rate obligation.

Debt and Swap Payments Tables

As of June 30, 2011, debt service requirements of the variable rate debt and net swap payments for 2001 Series A effective January 14, 2002 and May 2, 2011, are as follows:

Payment Date	Notional Amortization	Variable Interest[B]	Interest Rate Swaps, Net[C]	Remarketing and Liquidity[E]	Total Payment
4/1/2012	$ -	$ 50,585	$ 5,956,246	$ 1,665,377	$ 7,672,208
4/1/2013	-	50,585	5,956,246	1,665,377	7,672,208
4/1/2014	-	50,585	5,956,246	1,665,377	7,672,208
4/1/2015	-	50,585	5,956,246	1,665,377	7,672,208
4/1/2016	-	50,585	5,956,246	1,665,377	7,672,208
4/1/2017-2036	150,000,000	867,901	102,193,294	28,573,429	131,634,624
	$ 150,000,000	$ 1,120,826	$ 131,974,524	$ 36,900,314	$ 169,995,664

As of June 30, 2011, debt service requirements of the variable rate debt for 2006 Series C and 2007 Series A2-D2, E3 prorated portion of 2007-1 and 2008-1 Series, and net swap payments for 2006 Swap Series, effective February 8, 2006, August 28, 2008, September 2, 2008, and April 1, 2011 are as follows:

Payment Date	Notional Amortization	Variable Interest[B] (1)	Interest Rate Swaps, Net[C]	Remarketing and Liquidity[E]	Total Payment
4/1/2012	$ -	$ 231,004	$ 23,284,568	$ 7,605,222	$ 31,120,794
4/1/2013	-	231,004	23,284,568	7,605,222	31,120,794
4/1/2014	-	231,004	23,284,568	7,605,222	31,120,794
4/1/2015	-	230,936	23,284,568	7,602,965	31,118,469
4/1/2016	-	230,865	23,284,568	7,600,637	31,116,070
4/1/2017-2047	685,000,000	5,488,658	537,949,901	180,699,978	724,138,537
	$ 685,000,000	$ 6,643,471	$ 654,372,741	$ 218,719,246	$ 879,735,458

As of June 30, 2011, debt service requirements of the prorated variable rate debt for 2007 Series A1, C1, G1 and 2008 Series A1-E1, G1 and net swap payments for 2007 Swap Series, effective November 1, 2007, August 28, 2008, and September 2, 2008, are as follows:

Payment Date	Notional Amortization	Variable Interest[B] (2)	Interest Rate Swaps, Net[C]	Remarketing and Liquidity[E]	Total Payment
4/1/2012	$ -	$ 204,026	$ 19,352,296	$ 6,717,021	$ 26,273,343
4/1/2013	-	204,026	19,352,296	6,717,021	26,273,343
4/1/2014	-	204,026	19,352,296	6,717,021	26,273,343
4/1/2015	-	202,841	19,352,296	6,678,011	26,233,148
4/1/2016	-	201,619	19,352,296	6,637,776	26,191,691
4/1/2017-2047	605,000,000	4,713,178	474,416,575	155,169,294	634,299,047
	$ 605,000,000	$ 5,729,716	$ 571,178,055	$ 188,636,144	$ 765,543,915

As of June 30, 2011, debt service requirements of the fixed rate debt and net swap payments for 2008 Series F, effective April 1, 2011, are as follows:

Payment Date	Notional Amortization	Fixed Interest[G] (3)	Interest Rate Swaps, Net[C]	Total Payment
4/1/2012	$ 1,500,000	$ 25,055,991	$ (17,626,064)	$ 7,429,927
4/1/2013	1,800,000	25,055,991	(17,571,979)	7,484,012
4/1/2014	1,400,000	25,055,991	(17,507,077)	7,548,914
4/1/2015	1,500,000	25,055,991	(17,456,598)	7,599,393
4/1/2016	1,700,000	25,055,991	(17,402,513)	7,653,478
4/1/2017-2047	480,945,000	566,559,502	(406,043,432)	160,516,070
	$ 488,845,000	$ 691,839,457	$ (493,607,663)	$ 198,231,794

(1) Variable outstanding par $685 million
(2) Variable outstanding adjusted to $605 million to match swap
(3) Fixed outstanding par $707.73 million, but adjusted to $488.8 million to match swap

The table below summarizes total swap costs as of June 30, 2011

	Series 2001 Bonds [A]	Series 2006 Bonds	Series 2007 Bonds
Interest Rate Swap			
Fixed payment to counterparty	4.10%	3.77%	3.64%
LIBOR percentage of payments [D]	-0.12%	-0.37%	-0.44%
Net interest rate swap payments [C]	3.98%	3.40%	3.20%
Variable rate bond coupon payments [B]	0.03%	0.03%	0.03%
Synthetic interest rate on bonds	4.01%	3.43%	3.23%
Remarketing/liquidity fee[E]	1.11%	1.11%	1.11%
Total Cost	5.12%	4.54%	4.34%

	Series 2008 Bonds
Interest Rate Swap	
Fixed payment from counterparty	-3.734%
SIFMA[F]	0.128%
Net interest rate swap receipts [C]	-3.606%
Fixed rate bond coupon payments [G]	5.126%
Synthetic interest rate on bonds	1.520%
Fees	0.000%
Total Cost	1.520%

A Converted to 65% one month LIBOR on 1/1/06

B Average variable rate as of June 2011 reset

C Net payment/(receipt)

D Average LIBOR rates as of June 2011 reset

E Remarketing/liquidity fees

F SIFMA rate as of June 2011 reset

G Blended coupon

6. LEASES

Capital Leases

MTC leases copier equipments are under capital leases which will expire in fiscal year 2016. The assets and liabilities under this capital lease are recorded at the present value of the minimum lease payments. Minimum future lease payments under the capital lease are comprised of the following:

Governmental Activities

Year Ending June 30		Amount
2012	$	59,952
2013		59,952
2014		59,952
2015		59,952
2016		24,980
Total		264,788
Less interest amounts		(26,129)
Present value of net minimum lease payments	$	238,659

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund transfers as of June 30, 2011, is as follows:

	Transfer In:							
Transfer Out:	**General**	**AB 664 Net Toll Revenue Reserve**	**STA**	**Rail Reserves**	**Non-Major Governmental Funds**	**MTC Clipper®**	**BATA**	**Total**
Non-Major	$ 384,433	$ -	$ -	$ -	$ -	$ 1,004,781	$ -	$ 1,389,214
Rail Reserves	-	-	-	-	-	-	870,000	870,000
STA	771,908	-	-	-	295,439	1,595,359	-	2,662,706
AB 664	20,341	-	-	-	-	-	-	20,341
General	-	-	836,371	-	-	59,184	-	895,555
BATA	8,834,857	11,361,625	-	9,224,986	2,678,189	9,050,717	-	41,150,374
SAFE	886,029	-	-	-	16,185	-	-	902,214
Total	$ 10,897,568	$ 11,361,625	$ 836,371	$ 9,224,986	$ 2,989,813	$ 11,710,041	$ 870,000	$ 47,890,404

Due to/from other funds

Receivable Fund	**Payable Fund**	**Amount**
General	STA	$ 49,758
General	AB 664	341
General	BATA	1,004,581
General	MTC Clipper®	9,493,955
General	Non-Major	91,539
Non-Major	General	502,081
Non-Major	STA	42,682
MTC Clipper®	BATA	3,614,788
MTC Clipper®	STA	36,949
MTC Clipper®	Non-Major	60,149
SAFE	General	4,288,602
SAFE	Non-Major	154,447
BATA	MTC	21,000,000
BATA	AB 664	236,687,782
BATA	Rail Reserves	190,975,639
BATA	Non-Major	56,058,316

The composition of interfund transfers as of June 30, 2010, is as follows:

	Transfer In:						
Transfer Out:	General	AB 664 Net Toll Revenue Reserve	STA	Capital Projects	Non-Major Governmental Funds	BATA	Total
Non-Major	$ 91,999	$ -	$ -	$ 101,035	$ -	$ 1,110,000	$ 1,303,034
STA	2,153,475	-	-	1,301,830	-	-	3,455,305
Capital	7,000	-	-	-	-	-	7,000
AB 664	20,000	-	-	-	-	-	20,000
General	-	-	3,095,631	-	-	-	3,095,631
BATA	13,196,890	10,722,759	-	540,842	11,312,123		35,772,614
SAFE	1,571,692	-	-	79,536	-	-	1,651,228
Total	$ 17,041,056	$ 10,722,759	$ 3,095,631	$ 2,023,243	$ 11,312,123	$ 1,110,000	$ 45,304,812

Due to/from other funds

Receivable Fund	Payable Fund	Amount
General	STA	$ 231,318
General	AB 664	20,000
General	BATA	2,809,288
General	Capital	6,913,131
General	Non-Major	91,999
General	SAFE	64,914
Capital	General	499,769
Capital	STA	572,980
Capital	Non-Major	90,873
Capital	BATA	515,843
Non-Major	BATA	49,030
SAFE	General	4,121,819
BATA	General	8,584
BATA	AB 664	66,241
BATA	Non-Major	196,907
BATA	MTC	29,000,000

Transfers are used to move revenues from the fund with collection authority to the program fund that accounts for the various grant programs based on both budgetary and matching fund requirements.

Outstanding receivables and payables between funds are due to timing differences resulting from when expenditures are incurred and reimbursement payments are made.

8. EMPLOYEES' RETIREMENT PLAN

Plan Description

MTC's single employer defined benefit pension plan, the Miscellaneous Plan of Metropolitan Transportation Commission ("the Plan"), provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries.

The Plan is part of the Public Agency portion of the California Public Employees' Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements are established by state statutes within the Public Employees' Retirement Law. The MTC selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS annual financial report may be obtained from the CalPERS website or by writing to CalPERS fiscal Services Division, PO Box 942703, Sacramento, California 94229.

Funding Policy

Members in the Plan are required to contribute a percentage of their annual covered salary, which is established by California state statute. MTC is also required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its employees. The actuarial methods and assumptions are those adopted and amended by the CalPERS Board of Administration. Pursuant to an election by MTC employees, a contract amendment was executed with CalPERS in fiscal 2007, amending the retirement benefit formula from 2 percent at 55 to 2 ½ percent at 55. MTC employees agreed to contribute the full cost of this enhancement and share in future retirement cost increases. The full cost of MTC's retirement benefit is allocated as follows:

- MTC pays the Base Rate of 17.395 percent in effect on July 1, 2006 (10.395 percent employer contribution and 7 percent employee share, per employee's gross earnings), and the fiscal 2008 Base Rate. The Base Rate increased in fiscal 2009 by a percentage equivalent to the actual increase in cost attributable to the BATA employees hired in fiscal 2006.

- Members pay 3.402 percent of eligible gross earnings (2.402 percent employer contribution and 1.0 percent employee contribution) to cover the full cost of the enhancement.

- MTC and members will share equally in payment for additional CalPERS increases, up to 2.0 percent above the Base Rate and the 3.402 percent enhancement cost, each paying up to an additional 1 percent.

- Per agreement, any CalPERS contribution rate increases exceeding the additional 2 percent referenced above will result in re-opening the agreement to determine further cost-sharing arrangements.

Annual Pension Cost and Funding Progress

The required contribution was $3,060,517 and $2,982,161 for the years ended June 30, 2011 and 2010 determined as part of the June 30, 2009 and June 30, 2008 actuarial valuation using the entry age normal cost method with the contributions determined as a percent of payroll. The actuarial assumptions included (a) 7.75 percent investment rate of return (net of administrative expenses), and (b) projected salary increases that vary by category, entry age and duration of service. Both (a) and (b) include an inflation component of 3.0 percent and an annual payroll growth of 3.25 percent. The amortization method used is level percent of payroll. The actuarial valuation of the Plan’s assets were determined using a technique that smoothes the effect of short-term volatility in market value of investments over a fifteen-year period depending on the size of investment gains and/or losses. Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into CalPERS. Subsequent plan amendments are amortized as a level percentage of pay over a closed 20-year period. Gains and losses that occur in the operation of the plan are amortized over a 30-year rolling period with the exception of special gains and losses in fiscal years 2008-2009, 2009-2010 and 2010-2011. Each of these years special gains or losses will be isolated and amortized over fixed and declining 30 year periods. If the plan's accrued liability exceeds the actuarial value of plan assets, then the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30-year amortization period.

The following table shows MTC’s required contributions and the percentage contributed for the current year and each of the two preceding years. Under GASB 27, *Accounting for Pensions by State and Local Governmental Employers*, an employer reports an annual pension cost (APC) equal to the annual required contribution (ARC) plus an adjustment for the cumulative difference between the APC and the employer's actual plan contributions for the year. The contribution rate for fiscal year ended June 30, 2011 was 13.098% of payroll. The dollar value of the ARC is the contribution rate multiplied by the payroll of covered employees paid during the period July 1, 2010 through June 30, 2011.

Fiscal Year Ended		Annual Pension Cost (APC)	Percentage of APC Contributed
June 30, 2009	$	2,937,722	100%
June 30, 2010		2,982,161	100%
June 30, 2011		3,060,517	100%

MTC's funding progress information as of June 30, 2009 is illustrated as follows:

Actuarial Valuation Date		Actuarial Value of Assets (a)		Actuarial Accrued Liability (AAL) Entry Age (b)		Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)		Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
June 30, 2007	$	60,833,239	$	68,280,990	$	7,447,751	89.09%	$	15,865,270	46.94%
June 30, 2008		67,099,161		74,493,447		7,394,286	90.07%		16,230,948	45.56%
June 30, 2009		72,334,074		85,989,050		13,654,976	84.12%		16,969,851	80.47%

The latest available actuarial valuation was as of June 30, 2009 showing an under-funded status.

9. POST EMPLOYMENT HEALTHCARE BENEFITS

Plan Description

MTC's single-employer, defined-benefit other post employment benefits (OPEB) healthcare plan, or MTC's California Employer's Retirement Benefit Trust (CERBT) account, provides health plan coverage through the CalPERS Health Plan to eligible retired employees and their eligible dependents. MTC maintains the same medical plans for its retirees as for its active employees, with the general exception that once a retiree becomes eligible for Medicare, he or she must join a Medicare HMO or a Medicare Supplement plan, with Medicare becoming the primary payer. Employees become eligible to retire and receive healthcare benefits upon reaching the age of 50 with 5 years of service to MTC. Benefits are paid for the lifetime of the retiree, spouse or surviving spouse, and dependents up to the age of 23. The number of participants eligible to receive benefits was 62 for the year ended June 30, 2011.

MTC is a contracting agency under the Public Employees' Medical and Hospital Care Act (PEMHCA), which is administered by CalPERS for provision of healthcare insurance programs for both active and retired employees. CalPERS issue a separate comprehensive annual financial report. Copies of the CalPERS annual financial report may be obtained from the CalPERS website or by writing to CalPERS fiscal Services Division, PO Box 942703, Sacramento, California 94229.

Funding Policy

MTC contributions are based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45, *Accounting and Financial Reporting of Post Employment Benefits Other Than Benefits*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded accrued actuarial liabilities (UAAL) (or funding excess) over a period not to exceed thirty years. The ARC is based on separate actuarial computations for the active and retiree employee groups. MTC's payments of monthly retiree premiums of $562,678 and $501,102 for the years ended 2011 and 2010 were applied toward the required annual employer contribution of $2,414,391 and $1,211,117 for the years ended 2011 and 2010. In addition, MTC made a voluntary contribution in excess of the ARC in fiscal 2008 of $8,676,000. This contribution nearly eliminated the Unfunded Actuarial Accrued Liability (UAAL) and resulted in the reporting of a net OPEB asset of $7,731,865 at June 30, 2008. The net OPEB asset at June 30, 2011 and June 30, 2010 has remained at $7,384,385 as MTC fully funded it's OPEB obligation in fiscal years 2011 and 2010. The interest earned on this asset will reduce the OPEB cost in future years.

Annual OPEB Cost, Funded Status and Funding Progress

MTC's annual Other Post Employment Benefit (OPEB) expense is based on the ARC of the employer less healthcare costs paid on behalf of its retirees as well as any other contributions made to the plan during the year. The following table represents annual OPEB cost for the year, the percentage of costs contributed to the plan, and changes in the net OPEB obligation. Governmental and Business-Type Activities funded 100% of the ARC attributable to them. Any net OPEB asset resulted solely from Governmental Activities.

Fiscal Year Ended		Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed		Net OPEB Asset
June 30, 2009	$	799,483	56.50%	$	7,731,865
June 30, 2010		1,211,117	100%		7,384,385
June 30, 2011		2,414,391	100%		7,384,385

The funded status of the plan as of July 1, 2011 was as follows:

Annual required contribution (ARC)	$	2,370,879
Interest on net OPEB obligation		(406,141)
Adjustment to ARC		449,653
Annual OPEB Cost		2,414,391
Less contributions made		(2,414,391)
Increase in net OPEB obligation		-
Net OPEB asset - beginning of year		7,384,385
Net OPEB asset - end of year	$	7,384,385

The MTC's funding progress as of January 1, 2010, the most recent available actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
January 1, 2007	$ -	$ 10,297,911	$ 10,297,911	0%	$ 16,122,962	63.88%
January 1, 2009	7,299,050	12,774,408	5,475,358	57.14%	17,011,660	32.19%
January 1, 2010	9,249,465	20,599,779	11,350,314	44.90%	17,417,779	65.17%

Actuarial valuations must make certain assumptions regarding the probability of occurrence of certain events such as employment turnover, retirement and mortality, as well as economic assumptions regarding future healthcare costs and interest rates. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress on Schedule IV, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members. The actuarial methods and assumptions used include techniques designed to reduce effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with long-term perspective of the calculations.

MTC has funded its OPEB liability by contributing to a trust currently administered by Public Agency Retirement Services (PARS). MTC transferred its OPEB trust fund assets from CalPERS to PARS in March 2010. The actuarial cost method described below is one of several acceptable cost methods described in GASB 45. The actuarial cost method used for determining the benefit obligations is the Projected Unit Credit Cost Method. In determining the Annual Required Contribution, the Unfunded Actuarial Accrued Liability (UAAL) must be amortized over a period of up to 30 years. MTC has elected to amortize as a level percentage of expected payroll over 20 years on an open basis. The interest rate used to discount future benefit payments is based on the expected rate of return on investments set asided to pay for these benefits. In conjunction with the transfer to PARS, MTC selected a conservative investment policy to fund assets. The discount rate was reduced from 7.75% to 5.50% to reflect the current investment policy. The annual healthcare cost trend rate was derived from the Getzen Model resulting in the following factors: 6.5 percent for 2010 to 2014, 6.0 percent for 2015 to 2032, 5.5 percent for 2033 to 2047, 5.0 percent for 2048 to 2076 and 4.5% per year thereafter.

Demographic assumptions regarding retirement and turnover reflect CalPERS assumptions in their valuation of retirement benefits under their 2.5 percent @ 55 formulas for miscellaneous employees. MTC employees participate in CalPERS and accrue retirement benefits under this formula.

The Actuarial Accrued Liability (AAL) presented in the January 1, 2010 valuation increased by approximately $7.8 million over the previous valuation. The following factors contributed to the change in the AAL. The cost of benefit accruals since the last valuation, plus interest on the prior year's AAL, less benefit payments since the last valuation date, contributed to the change in the AAL. The combined impact of these factors was an increase in the AAL of approximately $1.3 million. The revised discount rate of 5.5% resulting from the transfer of OPEB trust fund assets from CalPERS (required rate of 7.75%) to PARS resulted in an increase in the AAL of approximately $5.2 million. In addition, the change in actuarial cost method from the Entry Age Normal Cost (required by CalPERS) to Projected Unit Credit Cost resulted in a decrease in the AAL of approximately $0.9 million. Copies of PARS annual financial report may be obtained by writing to PARS, 4350 Von Karman Avenue, Suite 100, Newport Beach, California 92660.

10. COMMITMENTS AND CONTINGENCIES

MTC's administered projects are subject to audit by the respective grantors. The final determination of allowable project costs can be made only after the grantor's audits are completed and final rulings by the grantor's administrative departments are obtained. Disallowed expenditures, if any, must be borne by nonfederal funds. In the opinion of MTC's management, such disallowances, if any, would not have a material adverse effect on the accompanying government-wide financial statements.

MTC is involved in various claims and litigation that are considered normal to the MTC's regional planning activities. The MTC Board has approved a reserve for future expenses for these contingencies in the amount of $599,929 and $2,738,331 for fiscal years ended June 30, 2011 and 2010, respectively. In the opinion of the MTC's management, the ultimate resolution of these matters will not have a material adverse effect on the MTC's government-wide financial position.

Commitment and Loan to Bay Area Rapid Transit District

On March 11, 1999, MTC, the San Mateo County Transit District (SamTrans) and the Bay Area Rapid Transit District (BART) (collectively the Parties) entered into a Memorandum of Understanding (MOU) defining the terms and conditions by which additional funds would be made available for the SFO Extension Project (the Project). On September 1, 1999, the Parties agreed to provide a total of $198.5 million to the Project, with BART providing $50 million, SamTrans providing $72 million, and MTC providing $76.5 million.

MTC's commitment included a $60 million loan (the Loan) for the Project's cash flow requirements and $16.5 million for additional budget items. In addition, MTC agreed to pay for interest and financing costs not to exceed $11.8 million, for a total commitment of $88.3 million.

To fund the Loan, MTC agreed to advance $60 million from the Rail Reserve Fund (East Bay Account) for Project cash flows. Under the MOU, BART was to repay this advance without interest, upon authorization and receipt of federal funds anticipated pursuant to BART's full funding grant agreement with the U.S. Department of Transportation (Federal Transportation Administration grant). MTC further agreed to allocate $16.5 million to BART from the Rail Reserve Fund (West Bay Account) for budget items, and utilize a combination of bridge toll revenues and other sources to pay interest and financing costs up to $11.8 million.

On February 12, 2001, MTC and BART executed an Acknowledgement Agreement (the Agreement) which modified the repayment terms of the Loan. Under the Agreement, MTC acknowledged that the FTA grant proceeds, originally pledged to repay the Loan, will be pledged and assigned in favor of bonds (the Bonds) issued by the Association of Bay Area Governments to refinance the Notes and finance the Project. The Agreement confirms BART's obligation to repay the Loan, as set forth in the MOU; however, such repayment will be made from the general resources of BART and subject to the prior pledge in favor of the Bonds.

On June 28, 2006, MTC and BART revised the terms of the $60 million loan agreement. The new agreement extends the $60 million loan to June 30, 2014 with an interest rate of 3 percent.

On November 28, 2007, the MTC Commission authorized the pledging of the then remaining proceeds of the $47 million BART loan receivable balance from the Rail Reserve Fund to BATA. As a result BATA transferred $47 million for their operating cash to the Rail Reserve Fund thereby providing cash flow to the Rail Reserve Fund (East Bay Account) to be used for East Bay rail projects. MTC retains all of its contract protections and enforcement rights against BART until the BART obligations to the East Bay Rail Reserve are satisfied. MTC also retains the legal obligation and responsibility to seek any payment due from BART. The pledge of the $47 million BART loan from MTC to BATA is an Intra-Entity Transfers of Assets which bears an interest rate of 3.0 percent. GASB statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfer of Assets and Future Revenues* provides guidance on the accounting and reporting of Intra-Entity Transfers of Assets.

As of June 30, 2011 and 2010, the total loan outstanding with BART is $21 million and $29 million respectively. Remaining payments due under the loan are as follows:

Fiscal Year	Principal Payments	
2012	$	8,000,000
2013		8,000,000
2014		5,000,000
	$	21,000,000

11. RISK MANAGEMENT

MTC is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. MTC purchases commercial insurance through an insurance agent, who obtains the appropriate insurance coverage needed by the MTC from insurance companies. To date, there have been no significant reductions in any of the MTC's insurance coverage, and no settlement amounts have exceeded commercial insurance coverage for the past three years.

12. RELATED PARTY TRANSACTIONS

The Regional Administrative Facility Corporation (RAFC) was incorporated in the State of California on March 23, 1983, for the purpose of administering, operating and maintaining common areas and certain easements of the property which consists solely of the Joseph P. Bort MetroCenter facilities. The Condominium Plan establishes the following three owner occupants: BART, MTC and ABAG. RAFC exercises a custodial responsibility on behalf of the owner occupants and assesses sufficient amounts to meet all required expenditures of the common areas and easements. MTC provides management and other staff functions to RAFC through management fees. Fees to RAFC were $300,000 for fiscal years ended June 30, 2011 and 2010. MTC currently has a prepaid asset of $376,824 and $281,443 as of June 30, 2011 and 2010, respectively, for funding capital improvement projects of the property.

13. SUBSEQUENT EVENTS

MTC has evaluated subsequent events for the period from June 30, 2011 through October 3, 2011, the date the financial statements were available to be issued, and no subsequent events have been identified.

REQUIRED SUPPLEMENTARY INFORMATION

Metropolitan Transportation Commission
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund (unaudited)
For the Year Ended June 30, 2011 Schedule I

	Original Budget	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES				
Sales taxes	$ 8,500,000	$ 9,000,000	$ 9,644,034	$ 644,034
Grants - Federal	121,095,230	99,141,108	47,369,568	(51,771,540)
Grants - State	2,870,824	2,896,971	2,336,947	(560,024)
Local agencies revenues and refunds	4,342,739	14,467,741	4,292,243	(10,175,498)
Investment income - unrestricted	100,000	20,000	8,760	(11,240)
TOTAL REVENUES	136,908,793	125,525,820	63,651,552	(61,874,268)
EXPENDITURES				
General government	149,207,318	127,982,390	56,318,986	71,663,404
Allocations to other agencies	9,577,881	15,788,292	13,173,342	2,614,950
Capital outlay	500,000	500,000	66,222	433,778
TOTAL EXPENDITURES	159,285,199	144,270,682	69,558,550	74,712,132
REVENUES OVER (UNDER) EXPENDITURES	(22,376,406)	(18,744,862)	(5,906,998)	12,837,864
OTHER FINANCING SOURCES (USES)				
Transfers in	20,248,167	18,091,127	10,897,568	(7,193,559)
Transfers out	-	-	(895,555)	(895,555)
TOTAL OTHER FINANCING SOURCES (USES)	20,248,167	18,091,127	10,002,013	(8,089,114)
NET CHANGE IN FUND BALANCES	(2,128,239)	(653,735)	4,095,015	4,748,750
Fund balances - beginning	19,466,381	19,466,381	19,466,381	-
Fund balances - ending	$ 17,338,142	$ 18,812,646	$ 23,561,396	$ 4,748,750

Metropolitan Transportation Commission

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - AB 664 Net Toll Revenue Reserve (unaudited)

For the Year Ended June 30, 2011 — Schedule II

	Original Budget	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES				
Investment income - unrestricted	$ -	$ -	$ 360,505	$ 360,505
TOTAL REVENUES	-	-	360,505	360,505
EXPENDITURES				
General government	-	-	26,935	(26,935)
Allocations to other agencies	44,667,721	44,027,647	12,127,003	31,900,644
TOTAL EXPENDITURES	44,667,721	44,027,647	12,153,938	31,873,709
REVENUES OVER (UNDER) EXPENDITURES	(44,667,721)	(44,027,647)	(11,793,433)	32,234,214
OTHER FINANCING SOURCES (USES)				
Transfers in	44,667,721	44,027,647	11,361,625	(32,666,022)
Transfers out	-	-	(20,341)	(20,341)
TOTAL OTHER FINANCING SOURCES (USES)	44,667,721	44,027,647	11,341,284	(32,686,363)
NET CHANGE IN FUND BALANCES	-	-	(452,149)	(452,149)
Fund balances - beginning	33,238,647	33,238,647	33,238,647	-
Fund balances - ending	$ 33,238,647	$ 33,238,647	$ 32,786,498	$ (452,149)

Metropolitan Transportation Commission
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - State Transit Assistance Fund (unaudited)
For the Year Ended June 30, 2011 — Schedule III

	Original Budget	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES				
Investment income - unrestricted	$ -	$ -	$ (38,671)	$ (38,671)
TOTAL REVENUES	-	-	(38,671)	(38,671)
EXPENDITURES				
Allocations to other agencies	176,520,987	176,520,987	133,229,591	43,291,396
TOTAL EXPENDITURES	176,520,987	176,520,987	133,229,591	43,291,396
REVENUES OVER (UNDER) EXPENDITURES	(176,520,987)	(176,520,987)	(133,268,262)	43,252,725
OTHER FINANCING SOURCES (USES)				
Transfers in	176,520,987	176,520,987	836,371	(175,684,616)
Transfers out	-	-	(2,662,706)	(2,662,706)
TOTAL OTHER FINANCING SOURCES (USES)	176,520,987	176,520,987	(1,826,335)	(178,347,322)
NET CHANGE IN FUND BALANCES	-	-	(135,094,597)	(135,094,597)
Fund balances - beginning	177,053,460	177,053,460	177,053,460	-
Fund balances - ending	$ 177,053,460	$ 177,053,460	$ 41,958,863	$(135,094,597)

Metropolitan Transportation Commission
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Rail Reserves (unaudited)
For the Year Ended June 30, 2011 — Schedule IV

	Original Budget	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES				
Local agencies revenues and refunds	$ 8,000,000	$ 8,000,000	$ 8,000,000	$ -
Investment income - unrestricted	-	-	1,906,842	1,906,842
TOTAL REVENUES	8,000,000	8,000,000	9,906,842	1,906,842
EXPENDITURES				
General government	8,000,000	8,000,000	8,032,907	(32,907)
Allocations to other agencies	1,276,372	1,276,372	26,507	1,249,865
TOTAL EXPENDITURES	9,276,372	9,276,372	8,059,414	1,216,958
REVENUES OVER (UNDER) EXPENDITURES	(1,276,372)	(1,276,372)	1,847,428	3,123,800
OTHER FINANCING SOURCES (USES)				
Transfers in	1,276,372	1,276,372	9,224,986	7,948,614
Transfers out	-	-	(870,000)	(870,000)
TOTAL OTHER FINANCING SOURCES (USES)	1,276,372	1,276,372	8,354,986	7,078,614
NET CHANGE IN FUND BALANCES	-	-	10,202,414	10,202,414
Fund balances - beginning	98,737,122	98,737,122	98,737,122	-
Fund balances - ending	$ 98,737,122	$ 98,737,122	$ 108,939,536	$ 10,202,414

Metropolitan Transportation Commission
Schedules of Funding Progress (unaudited)
For the Year Ended June 30, 2011 Schedule V

Pension Plan (Required Supplementary Information)

Actuarial Valuation Date		Actuarial Value of Assets (a)		Actuarial Accrued Liability (AAL) Entry Age (b)		Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)		Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
June 30, 2007	$	60,833,239	$	68,280,990	$	7,447,751	89.09 %	$	15,865,270	46.94 %
June 30, 2008		67,099,161		74,493,447		7,394,286	90.07 %		16,230,948	45.56 %
June 30, 2009		72,334,074		85,989,050		13,654,976	84.12 %		16,969,851	80.47 %

Post Employment Benefits (Required Supplementary Information)

Actuarial Valuation Date		Actuarial Value of Assets (a)		Actuarial Accrued Liability (AAL) Entry Age (b)		Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)		Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
January 1, 2007	$	-	$	10,297,911	$	10,297,911	0 %	$	16,122,962	63.88 %
January 1, 2009		7,299,050		12,774,408		5,475,358	57.14 %		17,011,660	32.19 %
January 1, 2010		9,249,465		20,599,779		11,350,314	44.90 %		17,417,779	65.17 %

OTHER SUPPLEMENTARY INFORMATION

Metropolitan Transportation Commission
Combining Balance Sheet — Non-Major Governmental Funds
June 30, 2011

Schedule 1

	Transit Reserves	Exchange	BART Car Exchange	Feeder Bus	Prop 1B Funds	Capital Projects	Total Non-Major Governmental Funds
ASSETS							
Cash and cash equivalents - unrestricted	$ 55,648,543	$ 2,735,375	$ -	$ 167,908	$ 7,289,656	$ 954,304	$ 66,795,786
Cash and cash equivalents - restricted	-	-	1,066,949	-	-	-	1,066,949
Investments - unrestricted	4,998,438	-	-	-	-	-	4,998,438
Investments - restricted	-	-	93,201,531	-	-	-	93,201,531
Receivables							
Accounts	-	4,400,000	-	-	-	-	4,400,000
Interest	2,496	-	42,540	-	-	-	45,036
State and Caltrans funding	-	-	-	-	-	1,874	1,874
Federal funding	-	-	-	-	-	558,577	558,577
Due from other funds	-	-	-	-	-	544,763	544,763
TOTAL ASSETS	$ 60,649,477	$ 7,135,375	$ 94,311,020	$ 167,908	$ 7,289,656	$ 2,059,518	$ 171,612,954
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable and accrued expenditures	$ 13,519	$ 65,500	$ -	$ -	$ 64,967	$ 522,729	$ 666,715
Due to other funds	56,149,855	60,149	-	-	-	154,447	56,364,451
TOTAL LIABILITIES	56,163,374	125,649	-	-	64,967	677,176	57,031,166
FUND BALANCES							
Restricted for:							
Transportation projects	4,486,103	-	-	167,908	7,224,689	882,573	12,761,273
Rail projects	-	-	94,311,020	-	-	-	94,311,020
Committed to:							
Building reserve	-	-	-	-	-	499,769	499,769
Transportation projects	-	7,009,726	-	-	-	-	7,009,726
TOTAL FUND BALANCES	4,486,103	7,009,726	94,311,020	167,908	7,224,689	1,382,342	114,581,788
TOTAL LIABILITIES AND FUND BALANCES	$ 60,649,477	$ 7,135,375	$ 94,311,020	$ 167,908	$ 7,289,656	$ 2,059,518	$ 171,612,954

Metropolitan Transportation Commission
Combining Statement of Revenues, Expenditures and Changes in Fund Balances — Non-Major Governmental Funds
For the Year Ended June 30, 2011

Schedule 2

	Transit Reserves	Exchange	BART Car Exchange	Feeder Bus	Prop 1B Funds	Capital Projects	Total Non-Major Governmental Funds
REVENUES							
Grants - Federal	$ -	$ -	$ -	$ -	$ -	$ 1,449,322	$ 1,449,322
Grants - State	3,055,054	-	-	-	-	-	3,055,054
Local agencies revenues and refunds	-	6,127,091	-	-	-	-	6,127,091
Investment income - unrestricted	61,239	140,047	-	176	8,475	631	210,568
Investment income - restricted	-	-	408,234	-	-	-	408,234
TOTAL REVENUES	3,116,293	6,267,138	408,234	176	8,475	1,449,953	11,250,269
EXPENDITURES							
Current:							
General government	84,831	5,294,809	9,990	-	1,046,620	1,796,609	8,232,859
Allocations to other agencies	3,709,320	-	-	-	-	-	3,709,320
TOTAL EXPENDITURES	3,794,151	5,294,809	9,990	-	1,046,620	1,796,609	11,942,179
EXCESS/(DEFICIENCY) OF REVENUES OVER/(UNDER) EXPENDITURES	(677,858)	972,329	398,244	176	(1,038,145)	(346,656)	(691,910)
OTHER FINANCING SOURCES/(USES)							
Transfers in	2,678,189	-	-	-	-	311,624	2,989,813
Transfers out	(151,739)	(1,022,701)	-	-	-	(214,774)	(1,389,214)
TOTAL OTHER FINANCING SOURCES/(USES)	2,526,450	(1,022,701)	-	-	-	96,850	1,600,599
NET CHANGE IN FUND BALANCES	1,848,592	(50,372)	398,244	176	(1,038,145)	(249,806)	908,689
Fund balances - beginning	2,637,511	7,060,098	93,912,776	167,732	8,262,834	1,632,148	113,673,099
Fund balances - ending	$ 4,486,103	$ 7,009,726	$ 94,311,020	$ 167,908	$ 7,224,689	$ 1,382,342	$ 114,581,788

Metropolitan Transportation Commission
Schedule of Revenues, Expenses and Changes in Fund Balances - Budget and Actual - Transit Reserves Fund
For the Year Ended June 30, 2011 — Schedule 3

	Original Budget	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES				
Grants - State	$ 3,024,806	$ 3,055,054	$ 3,055,054	$ -
Investment income - unrestricted	-	-	61,239	61,239
TOTAL REVENUES	3,024,806	3,055,054	3,116,293	61,239
EXPENDITURES				
General government	-	-	84,831	(84,831)
Allocations to other agencies	8,386,550	8,217,066	3,709,320	4,507,746
TOTAL EXPENDITURES	8,386,550	8,217,066	3,794,151	4,422,915
REVENUES OVER/(UNDER) EXPENDITURES	(5,361,744)	(5,162,012)	(677,858)	4,484,154
OTHER FINANCING SOURCES/(USES)				
Transfers in	5,361,744	5,162,012	2,678,189	(2,483,823)
Transfers out	-	-	(151,739)	(151,739)
TOTAL OTHER FINANCING SOURCES/(USES)	5,361,744	5,162,012	2,526,450	(2,635,562)
NET CHANGE IN FUND BALANCES	-	-	1,848,592	1,848,592
Fund balances - beginning	2,637,511	2,637,511	2,637,511	-
Fund balances - ending	$ 2,637,511	$ 2,637,511	$ 4,486,103	$ 1,848,592

Metropolitan Transportation Commission
Schedule of Revenues, Expenses and Changes in Fund Balances - Budget and Actual - Exchange Fund
For the Year Ended June 30, 2011 — Schedule 4

	Original Budget	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES				
Local agencies revenues and refunds	$ 6,127,091	$ 6,127,091	$ 6,127,091	$ -
Investment income - unrestricted	-	-	140,047	140,047
TOTAL REVENUES	6,127,091	6,127,091	6,267,138	140,047
EXPENDITURES				
General government	7,897,697	7,897,697	5,294,809	2,602,888
TOTAL EXPENDITURES	7,897,697	7,897,697	5,294,809	2,602,888
REVENUES OVER/(UNDER) EXPENDITURES	(1,770,606)	(1,770,606)	972,329	2,742,935
OTHER FINANCING SOURCES/(USES)				
Transfers out	-	-	(1,022,701)	(1,022,701)
TOTAL OTHER FINANCING SOURCES/(USES)	-	-	(1,022,701)	(1,022,701)
NET CHANGE IN FUND BALANCES	(1,770,606)	(1,770,606)	(50,372)	1,720,234
Fund balances - beginning	7,060,098	7,060,098	7,060,098	-
Fund balances - ending	$ 5,289,492	$ 5,289,492	$ 7,009,726	$ 1,720,234

Metropolitan Transportation Commission
Schedule of Revenues, Expenses and Changes in Fund Balances - Budget and Actual - BART Car Exchange Fund
For the Year Ended June 30, 2011 — Schedule 5

	Original Budget	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES				
Investment income - restricted	$ -	$ -	$ 408,234	$ 408,234
TOTAL REVENUES	-	-	408,234	408,234
EXPENDITURES				
General government	-	-	9,990	(9,990)
TOTAL EXPENDITURES	-	-	9,990	(9,990)
NET CHANGE IN FUND BALANCES	-	-	398,244	398,244
Fund balances - beginning	93,912,776	93,912,776	93,912,776	-
Fund balances - ending	$ 93,912,776	$ 93,912,776	$ 94,311,020	$ 398,244

Metropolitan Transportation Commission
Schedule of Revenues, Expenses and Changes in Fund Balances - Budget and Actual - Feeder Bus Fund
For the Year Ended June 30, 2011 — Schedule 6

	Original Budget	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES				
Investment income - unrestricted	$ -	$ -	$ 176	$ 176
TOTAL REVENUES	-	-	176	176
NET CHANGE IN FUND BALANCES	-	-	176	176
Fund balances - beginning	167,732	167,732	167,732	-
Fund balances - ending	$ 167,732	$ 167,732	$ 167,908	$ 176

Metropolitan Transportation Commission
Schedule of Revenues, Expenses and Changes in Fund Balances - Budget and Actual -- Prop 1B Fund
For the Year Ended June 30, 2011 — Schedule 7

	Original Budget	Final Budget	Actual	Variance from Final Budget Favorable (Unfavorable)
REVENUES				
Investment income - unrestricted	$ -	$ -	$ 8,475	$ 8,475
TOTAL REVENUES	-	-	8,475	8,475
EXPENDITURES				
General government	8,262,834	8,262,834	1,046,620	7,216,214
TOTAL EXPENDITURES	8,262,834	8,262,834	1,046,620	7,216,214
NET CHANGE IN FUND BALANCES	(8,262,834)	(8,262,834)	(1,038,145)	7,224,689
Fund balances - beginning	8,262,834	8,262,834	8,262,834	-
Fund balances - ending	$ -	$ -	$ 7,224,689	$ 7,224,689

Metropolitan Transportation Commission
Schedule of Expenditures — Governmental Funds
For the Year Ended June 30, 2011 Schedule 8

Expenditures by natural classification		
Salaries & benefits	$	16,924,496
Travel		76,566
Professional fees		39,610,760
Overhead		2,475,852
Printing & reproduction		121,028
Other		(46,489)
Reported as general government expenditures in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds[1]	$	59,162,213
Salaries & benefits - MTC Governmental	$	16,924,496
Salaries & benefits - MTC Clipper®		1,280,728
Salaries & benefits - BATA		6,525,472
Salaries & benefits - SAFE		1,839,637
Total salaries & benefits	$	26,570,333
Overhead - MTC Governmental:	$	2,475,852
Overhead - MTC Clipper®		675,456
Overhead - SAFE		970,224
Total Overhead	$	4,121,532
[1] General Government Expenditures - by Fund		
General Fund	$	56,318,986
Capital Projects		1,796,607
Special Revenue - Prop 1B		1,046,620
	$	59,162,213

Metropolitan Transportation Commission
Schedule of Overhead, Salaries and Benefits Expenditures — Governmental Funds
For the Year Ended June 30, 2011 Schedule 9

	Direct Costs*	Allowable Indirect Costs	Un allowable Costs	Total
Salaries	$ 11,360,909	$ 3,687,459	$ -	$ 15,048,368
Benefits	8,716,596	2,805,369	-	11,521,965
Total salaries and benefits	$ 20,077,505	$ 6,492,828	$ -	$ 26,570,333
Reimbursable overhead:**				
Agency Temps		$ 309,715	$ -	$ 309,715
Training		67,709	45,086	112,795
Personnel recruitment		45,101	-	45,101
Public hearings		40,271	-	40,271
Advertising		64,009	525	64,534
Communications		128,705	-	128,705
Utilities		139,310	-	139,310
Meeting room rental		7,012	-	7,012
Equipment rental		3,598	189	3,787
Parking rental		15,975	-	15,975
Storage rental		29,108	669	29,777
Computer maintenance & repair		31,703	-	31,703
Auto expense		18,884	-	18,884
Equipment maintenance & repair		4,222	-	4,222
General maintenance		33,504	-	33,504
Janitorial service		102,848	-	102,848
Office supplies		102,133	600	102,733
Printing & graphics supplies		48,822	5	48,827
Computer supplies		42,287	-	42,287
Computer software		527,242	3,720	530,962
Computer hardware		156,597	-	156,597
Furniture & fixtures		11,575	-	11,575
Postage & mailing		87,445	-	87,445
Memberships		26,381	46,492	72,873
Library acquisitions & subscriptions		33,096	4,098	37,194
Law library		22,596	-	22,596
Computer time & services		18,900	-	18,900
Advisory member stipend		18,050	73,400	91,450
Audit fees		30,463	335,236	365,699
Newswire service		14,109	-	14,109
Insurance		115,972	-	115,972
Other		-	190,061	190,061
Miscellaneous		-	54,348	54,348
Travel		80,794	124,597	205,391
Professional Fees		240,684	-	240,684
Bldg Maintenance		428,403	-	428,403
Subtotal Indirect Costs		3,047,223	879,026	3,926,249
Carry forward provision for fiscal June 30, 2009		(599,396)	-	(599,396)
Depreciation expense		763,882	-	763,882
Total indirect costs including depreciation expense		$ 3,211,709	$ 879,026	$ 4,090,735
Indirect Cost Recovered		$ 10,588,877		
Indirect (Over)/Under Absorbed		$ (884,338)		

*Direct Costs include BATA and SAFE Salaries and Benefits per Indirect Cost Plan for fiscal 2011.
**Overhead distributed to BATA and SAFE per Indirect Cost Plan for fiscal 2011.

Metropolitan Transportation Commission
Schedule of Expenditures — Federal Highway Administration Grant
No. 10OWPMTC
For the Year Ended June 30, 2011 — Schedule 10

	ABAG	MTC	Total
Authorized Expenditures			
Federal	$ 1,043,448	$ 7,289,013	$ 8,332,461
Local Match*	135,190	944,369	1,079,559
Total authorized expenditures	1,178,638	8,233,382	9,412,020
Actual Expenditures *			
Association of Bay Area Governments (ABAG)	1,043,448	-	1,043,448
MTC			
Program No. Program Name			
1112 Implement Public Information Program	-	1,788,000	1,788,000
1114 Support Advisory Committees	-	55,000	55,000
1121 Develop and Produce the RTP	-	818,985	818,985
1122 Travel Models and Data	-	923,760	923,760
1123 Corridor Studies - RTP Invest	-	7,827	7,827
1124 Integrate MTS with Natl & International Transportation	-	165,932	165,932
1125 Non-Motorized Transportation	-	50,000	50,000
1156 Library Services	-	369,430	369,430
1212 Develop MTS Performance Measures	-	299,087	299,087
1236 Implement Freeway Management Program	-	176,482	176,482
1311 Develop and Implement Welfare to Work Program	-	135,000	135,000
1312 Support Title VI and Environmental Justice	-	70,360	70,360
1412 Air Quality Conformity	-	50,000	50,000
1511 Financial Analysis and Planning	-	170,000	170,000
1512 Federal Programming, Monitoring and TIP Development	-	1,070,543	1,070,543
1612 MTC ABAG Planning	-	28,005	28,005
Total Expenditures	1,043,448	6,178,411	7,221,859
Balance of Federal Highway Administration Grant	$ -	$ 1,110,602	$ 1,110,602

* Expenditures reported at federal reimbursement rate (88.53%)

Metropolitan Transportation Commission
Schedule of Computations Demonstrating
Bond Covenant Compliance — BATA Proprietary Fund
For the Year Ended June 30, 2011 — Schedule 11

	2011
Revenue	
Toll revenues collected	$ 597,361,947
Investment income (charge)	33,445,758
BABs interest subsidy	72,638,218
Other operating revenues	17,589,332
Transfers from MTC	870,000
Total revenue	721,905,255
Operating expenses	
Operating expenses incurred by Caltrans	23,101,296
Operating expenses - Transbay JPA	3,001,398
Services and charges - BATA	54,890,555
Total operating before depreciation and amortization	80,993,249
Depreciation and amortization	1,976,410
Total operating expenses	82,969,659
Net operating income	638,935,596
Debt service and financing fees	
Interest expense	395,620,828
Payment on swap termination	15,683,211
Financing fees	18,574,177
Bond issuance costs	10,013,767
Total debt service and financing fees	439,891,983
Income before grants & operating transfers	199,043,613
Caltrans/ other agency operating grants	158,708,029
Operating transfers	
Metropolitan Transportation Commission administrative transfers	6,253,341
Metropolitan Transportation Commission transit transfers	
AB 664 expenses	11,361,625
90% rail expenses	9,224,986
2% transit expenses	2,678,189
Transfers to Regional Measure 2	42,674,301
Total operating transfers	72,192,442
Net income before capital transfers	285,559,200
Capital project expense	
Distribution to Caltrans for their capital purposes	739,843,054
Distribution to other agencies for their capital purposes	246,081,354
Distribution to MTC	3,378,531
Total capital project expense	989,302,939
Change in net assets	(703,743,739)
Total net assets/(deficits) - beginning	(3,732,683,110)
Total net assets/(deficits) - ending	$ (4,436,426,849)

Metropolitan Transportation Commission
Schedule of Computations Demonstrating
Bond Covenant Compliance — BATA Proprietary Fund, *continued*
For the Year Ended June 30, 2011 — Schedule 11

		2011
Senior Bond - Debt Service Covenant		
Net revenue[1,6]	$	604,779,172
Debt service[2]	$	264,541,458
Debt service coverage[4]		2.29
Debt service coverage - bond covenant requirement		1.20
Net revenue[1,6] plus operations & maintenance reserve	$	679,779,172
Fixed charges[5], operating transfer and costs[7]	$	313,469,100
Fixed charge coverage		2.17
Fixed charge coverage - bond covenant requirement		1.25
Net revenue[1,6]	$	604,779,172
Debt service[2], operating transfer and costs[7]	$	412,764,385
Sum sufficient coverage		1.47
Sum sufficient coverage - bond covenant requirement		1.00
Combined Bonds - Debt Service Covenant		
Net revenue[1,6]	$	546,024,484
Debt Service[3]	$	359,972,610
Subordinate debt service coverage		1.52
Subordinate debt service coverage - bond covenant requirement		1.20
Self insurance reserve - Caltrans Cooperative Agreement	$	50,000,000
Operations & maintenance reserve[8]	$	150,000,000
Rehabilitation reserve[9]	$	120,000,000
Projects/ operating reserves[9]	$	680,000,000

1 Total revenue less Caltrans operating expenses

2 Senior bond interest expense plus principal retirement of $36,990,000

3 Total bond interest expense plus principal retirement of $36,990,000

4 Based on debt outstanding from May 24, 2001 to November 4, 2010

5 Fixed charges comprise debt service and operating transfers.

6 Net revenue includes interest earnings adjusted for the derivative investment income of $21,386,570. See Note T

7 Operating transfer and costs include RM 2 operating costs less amortization of Transit Transfer to MTC (Transit Transfer obligation for the next 50 years was fulfilled in early September 2010).

8 Minimum required operation & maintenance is $75 million, but currently maintained at $150 million.

9 Designated reserve through BATA resolution and disclose in the bond indenture.

Metropolitan Transportation Commission
Schedule of Operating Revenues and Expenses — BATA Proprietary Fund - By Bridge
For the Year Ended June 30, 2011 — Schedule 12

	Carquinez Bridge	Benicia - Martinez Bridge	Antioch Bridge	Richmond - San Rafael Bridge	San Francisco - Oakland Bay Bridge	San Mateo - Hayward Bridge	Dumbarton Bridge	Total
Operating revenues								
Toll revenues collected	$ 100,918,100	$ 92,268,264	$ 11,080,910	$ 61,058,136	$ 210,190,214	$ 75,064,299	$ 46,782,024	$ 597,361,947*
Other operating revenues	2,851,890	3,085,337	274,409	1,726,710	6,299,226	2,156,557	1,195,203	17,589,332
Total operating revenues	103,769,990	95,353,601	11,355,319	62,784,846	216,489,440	77,220,856	47,977,227	614,951,279
Operating expenses								
Operating expenditures-by Caltrans & Transbay JPA	3,615,280	3,605,534	1,235,896	2,317,594	10,096,680	3,094,601	2,137,109	26,102,694
Services and charges	9,256,237	8,462,872	1,016,344	5,600,270	19,278,706	6,884,919	4,290,861	54,790,209
Allocations to other agencies	5,831,955	5,332,090	640,355	3,528,488	12,146,681	4,337,890	2,703,486	34,520,945
Depreciation	333,566	306,449	36,504	201,739	695,777	248,171	154,204	1,976,410
Total operating expenses	19,037,038	17,706,945	2,929,099	11,648,091	42,217,844	14,565,581	9,285,660	117,390,258
Operating income	$ 84,732,952	$ 77,646,656	$ 8,426,220	$ 51,136,755	$ 174,271,596	$ 62,655,275	$ 38,691,567	$ 497,561,021
*Toll revenues by Program								
Regional Measure 1 (RM 1)	25,042,036	21,778,905	3,008,602	14,172,277	46,538,232	17,303,368	10,350,421	$ 138,193,841
Regional Measure 2 (RM 2)	18,962,002	17,687,317	2,021,541	11,724,821	40,421,930	14,141,488	8,853,374	113,812,473
Seismic Program	56,914,062	52,802,042	6,050,767	35,161,038	123,230,052	43,619,443	27,578,229	345,355,633
Total Toll Revenues	$ 100,918,100	$ 92,268,264	$ 11,080,910	$ 61,058,136	$ 210,190,214	$ 75,064,299	$ 46,782,024	$ 597,361,947

Metropolitan Transportation Commission
Combining Statement of Changes in Assets and Liabilities by Participant — Agency Funds
For the Year Ended June 30, 2011 Schedule 13

County of Alameda	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
Assets				
Cash and cash equivalents	$ 10,330,884	60,795,007	52,364,568	$ 18,761,323
Interest receivables	17,637	24,155	17,637	24,155
Total Assets	$ 10,348,521	60,819,162	52,382,205	$ 18,785,478
Liabilities				
Accounts payable and accrued liabilities	$ 565,067	50,707,151	48,443,920	$ 2,828,298
Due to other governments	9,783,454	10,112,011	3,938,285	15,957,180
Total Liabilities	$ 10,348,521	60,819,162	52,382,205	$ 18,785,478

County of Contra Costa				
Assets				
Cash and cash equivalents	$ 8,232,878	32,511,597	28,436,539	$ 12,307,936
Total Assets	$ 8,232,878	32,511,597	28,436,539	$ 12,307,936
Liabilities				
Accounts payable and accrued liabilities	$ 737,088	27,244,392	27,422,765	$ 558,715
Due to other governments	7,495,790	5,267,205	1,013,774	11,749,221
Total Liabilities	$ 8,232,878	32,511,597	28,436,539	$ 12,307,936

County of Marin				
Assets				
Cash and cash equivalents	$ 1,775,159	9,819,762	9,739,349	$ 1,855,572
Interest receivables	1,909	664	1,908	665
Total Assets	$ 1,777,068	9,820,426	9,741,257	$ 1,856,237
Liabilities				
Accounts payable and accrued liabilities	$ -	10,807,682	9,343,832	$ 1,463,850
Due to other governments	1,777,068	(987,256)	397,425	392,387
Total Liabilities	$ 1,777,068	9,820,426	9,741,257	$ 1,856,237

County of Napa				
Assets				
Cash and cash equivalents	$ 13,554,839	5,999,924	5,085,612	$ 14,469,151
Total Assets	$ 13,554,839	5,999,924	5,085,612	$ 14,469,151
Liabilities				
Accounts payable and accrued liabilities	$ 152,634	4,742,674	4,785,515	$ 109,793
Due to other governments	13,402,205	1,257,250	300,097	14,359,358
Total Liabilities	$ 13,554,839	5,999,924	5,085,612	$ 14,469,151

Metropolitan Transportation Commission
Combining Statement of Changes in Assets and Liabilities by Participant — Agency Funds, *continued*
For the Year Ended June 30, 2011 — Schedule 13

County of San Francisco	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
Assets				
Cash and cash equivalents	$ 1,473,584	36,471,236	35,665,210	$ 2,279,610
Total Assets	$ 1,473,584	36,471,236	35,665,210	$ 2,279,610
Liabilities				
Accounts payable and accrued liabilities	$ 193,404	33,096,552	32,793,217	$ 496,739
Due to other governments	1,280,180	3,374,684	2,871,993	1,782,871
Total Liabilities	$ 1,473,584	36,471,236	35,665,210	$ 2,279,610
County of San Mateo				
Assets				
Cash and cash equivalents	$ 2,073,747	31,968,223	28,248,599	$ 5,793,371
Interest receivables	8,526	7,839	8,526	7,839
Total Assets	$ 2,082,273	31,976,062	28,257,125	$ 5,801,210
Liabilities				
Accounts payable and accrued liabilities	$ 505,674	25,593,405	25,887,230	$ 211,849
Due to other governments	1,576,599	6,382,657	2,369,895	5,589,361
Total Liabilities	$ 2,082,273	31,976,062	28,257,125	$ 5,801,210
County of Santa Clara				
Assets				
Cash and cash equivalents	$ 5,039,925	82,980,042	69,211,307	$ 18,808,660
Total Assets	$ 5,039,925	82,980,042	69,211,307	$ 18,808,660
Liabilities				
Accounts payable and accrued liabilities	$ 582,195	76,505,672	62,314,574	$ 14,773,293
Due to other governments	4,457,730	6,474,370	6,896,733	4,035,367
Total Liabilities	$ 5,039,925	82,980,042	69,211,307	$ 18,808,660
County of Solano				
Assets				
Cash and cash equivalents	$ 11,068,547	13,898,074	13,419,607	$ 11,547,014
Total Assets	$ 11,068,547	13,898,074	13,419,607	$ 11,547,014
Liabilities				
Accounts payable and accrued liabilities	$ 567,243	14,788,017	12,940,820	$ 2,414,440
Due to other governments	10,501,304	(889,943)	478,787	9,132,574
Total Liabilities	$ 11,068,547	13,898,074	13,419,607	$ 11,547,014

Metropolitan Transportation Commission
Combining Statement of Changes in Assets and Liabilities by Participant — Agency Funds, *continued*
For the Year Ended June 30, 2011 — Schedule 13

County of Sonoma	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
Assets				
Cash and cash equivalents	$ 12,313,581	18,728,239	19,377,854	$ 11,663,966
Total Assets	$ 12,313,581	18,728,239	19,377,854	$ 11,663,966
Liabilities				
Accounts payable and accrued liabilities	$ 614,044	18,474,352	18,675,353	$ 413,043
Due to other governments	11,699,537	253,887	702,501	11,250,923
Total Liabilities	$ 12,313,581	18,728,239	19,377,854	$ 11,663,966
AB 1107				
Assets				
Cash and cash equivalents	$ -	60,290,615	60,290,615	$ -
Total Assets	$ -	60,290,615	60,290,615	$ -
Liabilities				
Accounts payable and accrued liabilities	$ -	60,290,615	60,290,615	$
Due to other governments	-	-	-	-
Total Liabilities	$ -	60,290,615	60,290,615	$ -
Clipper®				
Assets				
Cash and cash equivalents	$ 4,844,475	164,209,065	157,765,653	$ 11,287,887
Account receivables	1,658,915	157,207,591	149,946,595	8,919,911
Total Assets	$ 6,503,390	321,416,656	307,712,248	$ 20,207,798
Liabilities				
Accounts payable and accrued liabilities	$ 6,503,390	352,029,816	338,325,408	$ 20,207,798
Total Liabilities	$ 6,503,390	352,029,816	338,325,408	$ 20,207,798
Total - All Agency Funds				
Assets				
Cash and cash equivalents	$ 70,707,619	521,727,523	483,660,652	$ 108,774,490
Interest receivables	28,072	32,658	28,071	32,659
Account receivables	1,658,915	157,207,591	149,946,595	8,919,911
Total Assets	$ 72,394,606	678,967,772	633,635,318	$ 117,727,060
Liabilities				
Accounts payable and accrued liabilities	$ 10,420,739	674,280,328	641,223,249	$ 43,477,818
Due to other governments	61,973,867	4,687,444	(7,587,931)	74,249,242
Total Liabilities	$ 72,394,606	678,967,772	633,635,318	$ 117,727,060

Metropolitan Transportation Commission
Statement of Cash Collection and Disbursement — Agency Fund
Clipper® Program
For the Year Ended June 30, 2011 — Schedule 14

Cash Collection		
Autoload and Remote Add Value	$	88,881,258
Third Party		75,327,807
Total Cash Collection		164,209,065
Cash Disbursement		
Disbursement to Operator		155,155,506
Patron Refunds		1,975,692
Merchant Commission		332,994
Other Disbursements		301,461
Total Cash Disbursement		157,765,653
Net Increase in Cash		6,443,412
Cash - beginning balance		4,844,475
Cash - ending balance	$	11,287,887

Metropolitan Transportation Commission
Schedule of Interest Rate Swap Summary — BATA Proprietary Fund
For the Year Ended June 30, 2011 Schedule 15

Counterparty	Series 2001	Series 2006	Series 2007	Series 2008 F-1	Total	Percentage by Counterparty	Ratings (S&P/Moodys)
Citibank N.A.	$ -	$ 225,000,000	$ 260,000,000	$ -	$ 485,000,000	25%	A+/A1
Wells Fargo Bank N.A.	75,000,000	-	-	-	75,000,000	4%	AA/Aa2
JP Morgan Chase Bank, N.A.	-	245,000,000	-	142,400,000	387,400,000	20%	AA-/Aa1
Bank of America, N.A.	-	155,000,000	50,000,000	200,000,000	405,000,000	21%	A+/Aa3
Goldman Sachs Mitsui Marine Derivative Products	-	60,000,000	85,000,000	-	145,000,000	8%	AAA/Aa1
Bank of New York Mellon	-	-	210,000,000	146,445,000	356,445,000	18%	AA/Aaa
Morgan Stanley Capital Services	75,000,000	-	-	-	75,000,000	4%	A/A2
Total Swap Notional	$ 150,000,000	$ 685,000,000	$ 605,000,000	$ 488,845,000	$ 1,928,845,000		

Termination Value	$ (35,761,289)	$ (106,799,984)	$ (90,393,317)	$ (2,229,429)	$ (235,184,019)

Metropolitan Transportation Commission
Schedule of Interest Rate Swap for Series 2001 — BATA Proprietary Fund
For the Year Ended June 30, 2011

Schedule 16

	Series 2001 A	Series 2001 A	Total
Notional Amount	$ 75,000,000	$ 75,000,000	$ 150,000,000
Trade Date	1/10/2002	5/20/2011	
Effective Date	1/14/2002	5/2/2011	
Swap Mode	65% One Mth LIBOR [1]	65% One Mth LIBOR	
Maturity	4/1/2036	4/1/2036	
Basis Cost	Yes	Yes	
Swap Cost	4.09%	4.10%	
Counterparty (CP)	Morgan Stanley Capital Services Inc	Wells Fargo Bank N.A.	
S&P/Moodys Ratings	A/A2	AA/Aa2	
Ratings Outlook/Watch	Negative	Negative	
Termination Value Due from/(to) CP	$ (17,823,274)	$ (17,938,015)	$ (35,761,289)
Credit Risk			
CP Collateral Posting [2]			
1a) CP = or > "A-"and below "AA-" (S&P)	Yes	No	
OR			
1b) CP = or > "A3" and below "Aa3" (Moodys)	Yes	No	
and			
2) Termination Value >$10 million	No	No	
AND			
CP Collateral Posting [2]			
1c) CP < A- (S&P)	No	No	
OR			
1d) CP < A3 (Moodys)	No	No	
AND			
2) Termination Value > $0	No	No	
Ratings Termination Risk [3]			
CP can terminate if BATA's Sr bond ratings (S&P or Moodys) is below	BBB-/Baa3	BBB+/Baa1	
Rollover Risk	No	No	

[1] prior to 1/1/06 was cost of fund
[2] unilateral collateral posting by CP
[3] unilateral termination at BATA's discretion unless ratings fall below as listed

Metropolitan Transportation Commission
Schedule of Interest Rate Swap for Series 2006 — BATA Proprietary Fund
For the Year Ended June 30, 2011

Schedule 17

	Series 2006	Series 2006	Series 2006	Series 2006	Series 2006	Total
Notional Amount	$ 245,000,000	$ 225,000,000	$ 30,000,000	$ 60,000,000	$ 125,000,000	$ 685,000,000
Trade Date	3/31/2011	11/15/2005	11/15/2005	8/28/2008	9/2/2008	
Effective Date	4/1/2011	2/8/2006	2/8/2006	8/28/2008	9/2/2008	
Swap Mode	75.105% One Mth LIBOR [4]	53.8% One Mth LIBOR+0.74%	68% One Mth LIBOR	68% One Mth LIBOR	68% One Mth LIBOR	
Maturity	4/1/2045	4/1/2045	4/1/2045	4/1/2045	4/1/2045	
Basis Cost	Yes	Yes	Yes	Yes	Yes	
Swap Cost	4%	3.64%	3.63%	3.64%	3.64%	
Counterparty (CP)	JP Morgan Chase Bank, N.A.[1]	Citibank, N.A.	Bank of America, N.A.	Goldman Sachs Mitsui Marine Derivative Products	Bank of America, N.A.	
S&P/Moodys	AA-/Aa1	A+/A1	A+/Aa3	AAA/Aa1	A+/Aa3	
Ratings Outlook/Watch	Stable/Negative	Negative	Negative	Stable/Negative	Negative	
Termination Value Due from/(to) CP	$ (42,923,354)	$ (29,067,313)	$ (4,817,503)	$ (9,727,075)	$ (20,264,739)	$ (106,799,984)
Credit Risk						
CP Collateral Posting [2]						
1a) CP = or > than "A-"and below "AA-" (S&P) OR	No	Yes	Yes	No	Yes	
1b) CP = or > than "A3" and below "Aa3" (Moodys) AND	No	Yes	No	No	No	
2) Termination Value >$10 million	No	No	No	No	No	
CP Collateral Posting [2]						
1c) CP < A- (S&P) OR	No	No	No	No	No	
1d) CP < A3 (Moodys) AND	No	No	No	No	No	
2) Termination Value >$0	No	No	No	No	No	
Ratings Termination Risk [3] CP can terminate if Sr bond ratings (S&P or Moodys) is below	BBB+/Baa1	BBB/Baa2 (Insured)	BBB/Baa2 (Insured)	BBB+/Baa1	BBB+/Baa1	
Rollover Risk	No	No	No	No	No	

[1] counterparty was amended from JP Morgan Chase AAA Enhanced ISDA to JP Morgan Chase Bank, N.A. effective April 1. 2011
[2] unilateral collateral posting by CP
[3] unilateral termination at BATA's discretion unless ratings fall below as listed
[4] swap mode was amended from 67.80% 10 year CMS to 75.105% of one month LIBOR effective April 1, 2011

Metropolitan Transportation Commission
Schedule of Interest Rate Swap for Series 2007 — BATA Proprietary Fund
For the Year Ended June 30, 2011

Schedule 18

	Series 2007	Series 2007	Series 2007	Series 2007	Series 2007	Total
Notional Amount	$ 260,000,000	$ 50,000,000	$ 85,000,000	$ 170,000,000	$ 40,000,000	$ 605,000,000
Trade Date	11/30/2005	11/30/2005	8/28/2008	9/2/2008	9/2/2008	
Effective Date	11/1/2007	11/1/2007	8/28/2008	9/2/2008	9/2/2008	
Swap Mode	53.8% One Mth LIBOR + 0.74%	68% One Mth LIBOR	68% One Mth LIBOR	68 % One Mth LIBOR	68% One Mth LIBOR	
Maturity	4/1/2047	4/1/2047	4/1/2047	4/1/2047	4/1/2047	
Basis Cost	Yes	Yes	Yes	Yes	Yes	
Swap Cost	3.64%	3.63%	3.64%	3.64%	3.64%	
Counterparty (CP)	Citibank N.A.	Bank of America, N.A.	Goldman Sachs Mitsui Marine Derivative Products	Bank of New York Mellon	Bank of New York Mellon	
S&P/Moodys Ratings	A+/A1	A+/Aa3	AAA/Aa1	AA/Aaa	AA/Aaa	
Ratings Outlook	Negative	Negative	Stable/Negative	Stable	Stable	
Termination Value Due from/(to) CP	$ (34,046,616)	$ (8,088,356)	$ (13,904,860)	$ (27,809,612)	$ (6,543,873)	$ (90,393,317)
Credit Risk						
CP Collateral Posting (1)						
1a) CP = or > than "A-" and below "AA-" (S&P)	Yes	Yes	No	No	No	
OR						
1b) CP = or > than "A3" and below "Aa3" (Moodys)	Yes	No	No	No	No	
AND						
2) Termination Value > $10 million	No	No	No	No	No	
CP Collateral Posting (1)						
1c) CP < A- (S&P)	No	No	No	No	No	
or						
1d) CP < A3 (Moodys)	No	No	No	No	No	
and 2) Termination Value > $0	No	No	No	No	No	
Ratings Termination Risk (2)						
CP can terminate if BATA's Sr bond ratings (S&P or Moodys) is below	BBB/Baa2 (Insured)	BBB/Baa2 (Insured)	BBB+/Baa1	BBB+/Baa1	BBB+/Baa1	
Rollover Risk	No	No	No	No	No	

(1) unilateral collateral posting by CP
(2) unilateral termination at BATA's discretion unless ratings fall below as listed

Metropolitan Transportation Commission
Schedule of Interest Rate Swap for Series 2008 — BATA Proprietary Fund
For the Year Ended June 30, 2011 Schedule 19

	Series 2008 F-1	Series 2008 F-1	Series 2008 F-1	Series 2008 F-1	Total
Notional Amount	$ 142,400,000	$ 146,445,000	$ 40,000,000	$ 160,000,000	$ 488,845,000
Trade Date	3/31/2011	3/30/2011	3/30/2011	3/29/2011	
Effective Date	4/1/2011	4/1/2011	4/1/2011	4/1/2011	
Swap Fix Receiver Rate	3.71%	3.79%	3.76%	3.70%	
Maturity	4/1/2047	4/1/2047	4/1/2047	4/1/2045	
Basis Cost	No	No	No	No	
Swap Payer Index	SIFMA	SIFMA	SIFMA	SIFMA	
Counterparty (CP)	JP Morgan Chase Bank, N.A.	Bank of New York Mellon	Bank of America, N.A.	Bank of America, N.A.	
S&P/Moodys Ratings	AA-/Aa1	AA/Aaa	A+/Aa3	A+/Aa3	
Ratings Outlook	Stable/Negative	Stable	Negative	Negative	
Termination Value Due from/(to) CP	$ 507,207	$ (519,623)	$ (733,417)	$ (1,483,596)	$ (2,229,429)
Credit Risk					
CP Collateral Posting (1)					
1a) CP = or > than "A-", and below "AA-" (S&P)	No	No	Yes	Yes	
OR					
1b) CP = or > than "A3" and below "Aa3" (Moodys)	No	No	No	No	
AND					
2) Termination Value > $10 million	No	No	No	No	
CP Collateral Posting (1)					
1c) CP < A- (S&P)	No	No	No	No	
OR					
1d) CP < A3 (Moodys)	No	No	No	No	
AND					
2) Termination Value > $0	Yes	No	No	No	
Ratings Termination Risk (2)					
CP can terminate if Sr Bond Ratings (S&P or Moodys) is below	BBB+/Baa1	BBB+/Baa1	BBB+/Baa1	BBB+/Baa1	
Rollover Risk	No	No	No	No	

(1) unilateral collateral posting by CP

(2) unilateral termination at BATA's discretion with 15 days notice unless ratings fall as listed. CP has one time termination option on 4/1/2014

STATISTICAL SECTION

This part of the MTC's comprehensive annual financial report presents detailed information to aid in understanding information contained in the financial statements, note disclosures, and required supplementary information. Some tables are not presented with 10 years of data as the information was not available for these periods.

Contents **Page**

Metropolitan Transportation Commission
Net Assets (deficit) by Component ($000) (unaudited)
By Fiscal Year

Table 1

	FISCAL YEAR									
	2002	2003	2004	2005	2006	2007	2008*	2009	2010	2011
Governmental activities										
Invested in capital assets, net of related debt	$ 3,466	$ 3,145	$ 2,946	$ 6,051	$ 5,827	$ 6,015	$ 8,768	$ 8,393	$ 7,936	$ 7,277
Restricted	101,516	123,408	116,532	104,451	117,117	157,234	337,420	329,243	467,544	332,378
Unrestricted	63,366	37,499	35,169	49,795	50,970	130,205	(33,269)	(29,911)	(21,259)	(6,534)
Total governmental activities net assets	168,348	164,052	154,647	160,297	173,914	293,454	312,919	307,725	454,221	333,121
Business-type activities										
Invested in capital assets, net of related debt	$ 1,274	$ 2,137	$ 1,886	$ 4,895	$ 5,539	$ 5,596	$ 8,206	$ 12,779	$ 18,199	$ 17,825
Restricted	125,000	130,000	175,000	257,670	643,444	691,735	338,458	293,873	200,000	200,000
Unrestricted	288,981	40,210	(320,399)	(592,302)	(1,914,340)	(2,347,410)	(2,549,520)	(3,304,407)	(3,932,296)	(4,635,985)
Total business-type activities net assets	415,255	172,347	(143,513)	(329,737)	(1,265,357)	(1,650,079)	(2,202,856)	(2,997,755)	(3,714,097)	(4,418,160)
Total Primary government										
Invested in capital assets, net of related debt	$ 4,740	$ 5,282	$ 4,832	$ 10,946	$ 11,366	$ 11,611	$ 16,974	$ 21,172	$ 26,135	25,102
Restricted	226,516	253,408	291,532	362,121	760,560	848,969	675,878	623,116	667,544	532,378
Unrestricted	352,347	77,709	(285,230)	(542,507)	(1,863,369)	(2,217,205)	(2,582,789)	(3,334,318)	(3,953,555)	(4,642,519)
Total primary government net assets	583,603	336,399	11,134	(169,440)	(1,091,443)	(1,356,625)	(1,889,937)	(2,690,030)	3,259,876	(4,085,039)

*Note: Fiscal years 2002 through 2007 have not been restated per GASB 54.

Metropolitan Transportation Commission
Changes in Net Assets ($000) (unaudited)
By Fiscal Year
Table 2

	FISCAL YEAR									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses										
Governmental activities:										
General government	$ 45,895	$ 48,571	$ 47,238	$ 47,452	$ 63,297	$ 93,884	$ 85,203	$ 86,672	$ 97,260	$ 78,611
Transportation	92,787	105,152	81,873	71,885	87,731	145,647	152,999	99,154	54,852	149,092
Total governmental activities expenses	138,682	153,723	129,111	119,337	151,028	239,531	238,202	185,826	152,112	227,703
Business-type activities:										
Clipper® smart card	-	-	-	-	-	-	-	-	-	52,048
Toll bridge activities	347,030	390,063	451,930	433,703	617,546	1,155,916	1,234,968	1,299,135	1,266,614	1,543,207
Congestion relief	9,251	10,376	10,869	11,789	12,402	16,892	13,675	14,363	17,309	17,939
Total business-type activities expenses	356,281	400,439	462,799	445,492	629,948	1,172,808	1,248,643	1,313,498	1,283,923	1,613,194
Total primary government expenses	$ 494,963	$ 554,162	$ 591,910	$ 564,829	$ 780,976	$ 1,412,339	$ 1,486,845	$ 1,499,324	$ 1,436,035	$ 1,840,897
Program Revenues										
Governmental activities:										
Charges for services										
Operating grants and contributions	$ 47,069	$ 48,068	$ 49,974	$ 50,165	$ 57,641	$ 320,311	$ 207,496	$ 85,048	$ 249,436	$ 74,274
Capital grants and contributions	64,473	72,345	42,344	44,957	70,770	-	9,858	61,796	10,673	-
Total governmental activities program revenues	111,542	120,413	92,318	95,122	128,411	320,311	217,354	146,844	260,109	74,274
Business-type activities:										
Charges for services	150,128	151,914	152,937	256,466	293,000	434,341	497,712	492,963	486,889	622,906
Operating grants and contributions	7,068	7,074	6,718	8,130	8,868	283,082	110,372	53,490	131,872	281,918
Capital grants and contributions	-	-	-	-	499,403	1,235	-	-	-	327
Total business-type activities program revenues	157,196	158,988	159,655	264,596	801,271	718,658	608,084	546,453	618,761	905,151
Total primary government program revenues	$ 268,738	$ 279,401	$ 251,973	$ 359,718	$ 929,682	$ 1,038,969	$ 825,438	$ 693,297	$ 878,870	$ 979,425
Net (expense)/revenue										
Governmental activities	$ (27,140)	$ (33,310)	$ (36,793)	$ (24,215)	$ (22,617)	$ 80,780	$ (20,848)	$ (38,982)	$ 107,997	$ (153,429)
Business-type activities	(199,085)	(241,451)	(303,144)	(180,896)	171,323	(454,150)	(640,559)	(767,045)	(665,162)	(708,043)
Total primary government net expense	$ (226,225)	$ (274,761)	$ (339,937)	$ (205,111)	$ 148,706	$ (373,370)	$ (661,407)	$ (806,027)	$ (557,165)	$ (861,472)

Metropolitan Transportation Commission
Changes in Net Assets ($000) (unaudited), *continued*
By Fiscal Year

Table 2

	FISCAL YEAR									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Restricted investment earnings	$ 4,375	$ 1,764	$ 1,090	$ 2,791	$ 3,996	$ 9,498	$ 1,454	$ 784	$ 222	$ 408
Unrestricted investment earnings	-	-	-	-	-	1,410	9,936	5,002	1,963	2,448
Transfers	27,013	27,250	26,298	27,074	32,238	27,852	28,922	28,003	36,314	29,473
Total governmental activities	31,388	29,014	27,388	29,865	36,234	38,760	40,312	33,789	38,499	32,329
Business-type activities:										
Unrestricted investment earnings	45,598	25,793	11,185	21,746	44,857	97,280	116,704	149	(14,866)	33,452
Contributed capital	-	-	2,397	-	-	-	-	-	-	-
Extraordinary item	-	-	-	-	(1,119,562)	-	-	-	-	-
Transfers	(27,013)	(27,250)	(26,298)	(27,074)	(32,238)	(27,852)	(28,922)	(28,003)	(36,314)	(29,473)
Total business-type activities	18,585	(1,457)	(12,716)	(5,328)	(1,106,943)	69,428	87,782	(27,854)	(51,180)	3,979
Total primary government	$ 49,973	$ 27,557	$ 14,672	$ 24,537	$ (1,070,709)	$ 108,188	$ 128,094	$ 5,935	$ (12,681)	$ 36,308
Change in Net Assets										
Governmental activities	$ 4,248	$ (4,296)	$ (9,405)	$ 5,650	$ 13,617	$ 119,540	$ 19,465	$ (5,194)	$ 146,496	$ (121,100)
Business-type activities	(180,500)	(242,908)	(315,860)	(186,224)	(935,620)	(384,722)	(552,777)	(794,899)	(716,342)	(704,063)
Total primary government	$ (176,252)	$ (247,204)	$ (325,265)	$ (180,574)	$ (922,003)	$ (265,182)	$ (533,312)	$ (800,093)	$ (569,846)	$ (825,163)

Metropolitan Transportation Commission
Fund Balances of Governmental Funds ($000) (unaudited)
By Fiscal Year

Table 3

FISCAL YEAR

	2002	2003	2004	2005	2006	2007	2008*	2009	2010	2011
General fund										
Reserved	$ 15,989	$ 25,259	$ 20,310	$ 15,647	$ 15,186	$ 13,949	$ -	$ -	$ -	
Unreserved	13,245	1,953	4,133	5,591	8,832	12,870	-	-	-	
Total general fund	$ 29,234	$ 27,212	$ 24,443	21,238	$ 24,018	$ 26,819	$ -	$ -	$ -	
All other governmental funds										
Reserved	$ 53,087	$ 58,214	$ 48,413	$ 43,938	$ 44,931	$ 97,455	$ -	$ -	$ -	
Unreserved, reported in:	-	-	-	-	-	-	-	-	-	
Capital projects fund	-	-	-	-	-	96	-	-	-	
Special revenue funds	50,194	35,601	31,072	35,032	44,556	117,239	-	-	-	
Total all other governmental funds	$ 103,281	$ 93,815	$ 79,485	78,970	$ 89,487	$ 214,790	$ -	$ -	$ -	
General fund										
Nonspendable	$ -	$ -	$ -	-	$ -	$ -	$ 408	$ 593	$ 763	$ 918
Restricted for	-	-	-	-	-	-	4,175	5,086	2,734	1,954
Committed to	-	-	-	-	-	-	3,002	3,836	4,960	2,855
Unassigned	-	-	-	-	-	-	11,676	10,210	11,009	17,834
Total general fund	$ -	$ -	$ -	$ -	$ -	$ -	$ 19,261	$ 19,725	$ 19,466	$ 23,561
All other governmental funds										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Restricted for	-	-	-	-	-	-	272,730	268,794	415,129	290,757
Committed to	-	-	-	-	-	-	7,372	6,550	7,573	7,509
Total all other governmental funds	$ -	$ -	$ -	$ -	$ -	$ -	$ 280,102	$ 275,344	$ 422,702	$ 298,266

*Note: Fiscal years 2002 through 2007 have not been restated per GASB 54.

Metropolitan Transportation Commission
Changes in Fund Balances of Governmental Funds ($000) (unaudited)
By Fiscal Year

Table 4

	FISCAL YEAR									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Sales taxes	$ 9,326	$ 8,903	$ 9,087	$ 9,562	$ 10,355	$ 10,626	$ 10,800	$ 9,848	$ 8,824	$ 9,644
Grants - Federal	24,334	28,129	30,979	32,568	37,452	44,211	50,727	41,426	63,559	48,819
Grants - State	71,062	77,009	45,821	47,339	74,084	227,809	127,565	61,796	148,976	5,392
Local agencies revenues and refunds	6,819	6,372	6,430	5,653	6,520	37,666	33,039	33,774	46,755	18,419
Investment income - unrestricted	4,375	1,764	1,090	2,791	3,997	9,498	11,346	5,002	1,963	2,448
Investment income - restricted	-	-	-	-	-	-	1,454	783	222	408
Total revenues	115,916	122,177	93,407	97,913	132,408	329,810	234,931	152,629	270,299	85,130
Expenditures										
General government	45,502	48,211	44,958	38,805	49,945	59,182	74,153	64,358	70,100	72,612
Allocation to other agencies	100,528	112,648	91,680	81,185	95,765	156,210	163,201	107,027	66,875	162,266
Capital outlay	209	56	166	10,540	5,639	14,166	15,744	13,542	22,538	66
Total expenditures	146,239	160,915	136,804	130,530	151,349	229,558	253,098	184,927	159,513	234,944
Excess of revenues over (under) expenditures	(30,323)	(38,738)	(43,397)	(32,617)	(18,941)	100,252	(18,167)	(32,298)	110,786	(149,814)
Other financing sources (uses)										
Other financing source	-	-	-	-	-	-	47,000	-	-	-
Transfer in	35,875	31,378	29,964	29,375	35,980	42,543	49,778	57,683	44,195	35,310
Transfer out	(8,863)	(4,127)	(3,666)	(2,300)	(3,742)	(14,691)	(20,856)	(29,680)	(7,881)	(5,838)
Total other financing sources (uses)	27,012	27,251	26,298	27,075	32,238	27,852	75,922	28,003	36,314	29,472
Net change in fund balances	$ (3,311)	$ (11,487)	$ (17,099)	$ (5,542)	$ 13,297	$ 128,104	$ 57,755	$ (4,295)	$ 147,100	$ (120,342)

Metropolitan Transportation Commission
Primary Government Revenues (unaudited)
By Fiscal Year

Table 5

	PROGRAM REVENUES			GENERAL REVENUES		
Fiscal Year	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Restricted Investment Earnings**	**Unrestricted Investment Earnings**	**Total**
2001 [1]	$ 150,759,047	$ 38,906,141	$ 44,648,314	$ -	$ 50,626,342	$ 284,939,844
2002	150,127,560	44,810,738	64,472,632	-	49,973,084	309,384,014
2003 [2]	151,914,404	46,238,665	72,344,529	-	27,557,608	298,055,206
2004	152,936,898	47,604,184	42,343,900	-	12,274,572	255,159,554
2005 [3]	256,466,211	48,732,356	44,957,468	-	24,537,489	374,693,524
2006 [4]	292,999,899	66,509,695	570,172,943	-	48,853,834	978,536,371
2007 [5]	434,341,478	603,392,696	1,234,760	1,410,000	106,778,738	1,147,157,672
2008 [6]	497,712,304	317,868,256	9,858,000	1,454,256	126,640,261	953,533,077
2009 [7]	492,963,040	200,334,018	-	783,516	5,150,515	699,231,089
2010 [8]	486,888,891	381,308,169	10,672,699	221,925	(12,903,019)	866,188,665
2011 [9]	622,905,920	356,192,046	327,301	408,234	35,900,213	1,015,733,714

[1] Excludes $400 million bond proceeds
[2] Excludes $300 million bond proceeds
[3] Excludes $300 million bond proceeds
[4] Excludes $2,149 million bond proceeds
[5] Excludes $811 million bond proceeds
[6] Excludes $1,008 million bond proceeds
[7] Excludes $708 million bond proceeds
[8] Excludes $2,069 billion bond proceeds
[9] Excludes $2,385 billion bond proceeds

Metropolitan Transportation Commission
Primary Government Expenses by Function (unaudited)
By Fiscal Year

Table 6

Fiscal Year	General Government	Transportation	Toll Bridge Activities	Congestion Relief	Clipper®	Total
2001	$ 38,845,325	$ 58,179,156	$ 277,944,435	$ 9,618,902	$	$ 384,587,818
2002	45,894,987	92,787,010	347,029,659	9,251,327		494,962,983
2003	48,570,719	105,152,624	390,063,272	10,375,587		554,162,202
2004	47,237,837	81,873,193	451,929,595	10,869,417		591,910,042
2005	47,451,629	71,885,313	433,703,072	11,788,922		564,828,936
2006	63,297,372	87,731,178	617,546,375	12,401,445		780,976,370
2007	93,884,140	145,646,986	1,155,916,387	16,891,976		1,412,339,489
2008	85,202,758	152,998,857	1,234,968,178	13,675,326		1,486,845,119
2009	86,671,886	99,153,429	1,299,135,147	14,363,137		1,499,323,599
2010	97,259,761	54,851,617	1,266,614,630	17,309,069		1,436,035,077
2011	78,610,828	149,092,421	1,543,206,649	17,939,280	52,047,730	1,840,896,908

Metropolitan Transportation Commission
Toll Revenues – By Bridge (unaudited)
By Fiscal Year

Table 7

Fiscal Year	San Francisco-Oakland Bay Bridge	San Mateo-Hayward Bridge	Dumbarton Bridge	Carquinez Bridge	Benicia-Martinez Bridge	Antioch Bridge	Richmond-San Rafael Bridge	Total Revenue
2002	$ 48,549,475	$ 15,887,162	$ 11,548,514	$ 26,948,118	$ 21,490,553	$ 3,369,095	$ 14,544,342	$ 142,337,259
2003	48,788,086	16,689,764	11,114,225	27,475,268	21,792,680	3,422,296	14,917,557	144,199,876
2004	48,359,687	17,798,598	10,849,858	27,665,208	22,070,380	3,618,949	14,813,522	145,176,202
2005	85,879,816	30,369,927	18,559,373	46,458,835	36,529,638	5,850,611	24,492,701	248,140,901
2006	94,092,670	35,638,094	21,839,387	51,766,708	41,578,791	6,675,489	28,685,717	280,276,856
2007	141,806,435	53,621,361	33,662,371	77,320,278	62,637,940	9,905,926	43,400,541	422,354,852
2008	161,335,048	59,628,110	37,589,986	85,225,636	73,663,301	10,545,060	49,389,963	477,377,104
2009	163,424,734	56,451,232	35,491,342	83,121,692	73,535,614	9,848,575	48,263,187	470,136,376
2010	157,455,482	58,242,972	35,674,460	81,501,610	74,627,628	9,498,837	49,084,593	466,085,582
2011	210,190,214	75,064,299	46,782,024	100,918,100	92,268,264	11,080,910	61,058,136	597,361,947

Metropolitan Transportation Commission
Paid and Free Vehicles – By Bridge (in Number of Vehicles) (unaudited)
By Fiscal Year

Table 8

Fiscal Year	San Francisco-Oakland Bay Bridge	San Mateo-Hayward Bridge	Dumbarton Bridge	Carquinez Bridge	Benicia-Martinez Bridge	Antioch Bridge	Richmond-San Rafael Bridge	Total Traffic
2002	50,081,390	15,183,309	12,275,888	23,135,711	18,412,461	2,480,315	13,036,822	134,605,896
2003	49,412,655	15,771,699	11,539,424	23,305,920	18,517,754	2,522,697	13,062,238	134,132,387
2004	49,181,230	16,716,970	11,182,599	23,610,150	18,775,231	2,659,370	13,036,614	135,162,164
2005	48,092,917	16,551,900	10,779,979	23,103,224	18,261,679	2,676,269	12,544,235	132,010,203
2006	46,253,979	16,948,414	10,957,158	22,709,571	18,292,428	2,687,915	12,645,557	130,495,022
2007	45,568,951	16,901,880	11,108,116	22,762,879	18,230,344	2,729,276	12,664,782	129,966,228
2008	45,139,513	16,376,583	10,767,813	21,795,287	18,508,003	2,559,936	12,528,248	127,675,383
2009	45,568,253	15,466,520	10,214,522	21,091,173	18,295,365	2,345,007	12,215,518	125,196,358
2010	43,579,404	15,808,435	10,135,134	20,517,470	18,581,186	2,263,717	12,383,708	123,269,054
2011	44,317,350	15,407,582	9,777,172	20,026,368	18,308,458	2,168,699	12,177,540	122,183,169

Metropolitan Transportation Commission

Average Toll Rate Revenues ($000) – By Bridge (unaudited)

By Fiscal Year — Table 9

Fiscal Year	Antioch	Benicia-Martinez	Carquinez	Richmond	San Mateo - Hayward	Dumbarton	San Francisco - Oakland Bay
2002							
No. of Paid Vehicles	2,325	17,733	21,678	12,468	13,726	10,779	45,118
Average Toll Rate	$ 1.45	$ 1.21	$ 1.24	$ 1.17	$ 1.16	$ 1.07	$ 1.08
Total Revenue	$ 3,369	$ 21,491	$ 26,948	$ 14,544	$ 15,887	$ 11,549	$ 48,549
2003							
No. of Paid Vehicles	2,354	17,794	21,824	12,513	14,343	10,224	44,996
Average Toll Rate	$ 1.45	$ 1.22	$ 1.26	$ 1.19	$ 1.16	$ 1.09	$ 1.08
Total Revenue	$ 3,422	$ 21,793	$ 27,475	$ 14,918	$ 16,690	$ 11,114	$ 48,788
2004							
No. of Paid Vehicles	2,478	17,988	22,054	12,399	15,201	9,977	44,646
Average Toll Rate	$ 1.46	$ 1.23	$ 1.25	$ 1.19	$ 1.17	$ 1.09	$ 1.08
Total Revenue	$ 3,619	$ 22,070	$ 27,665	$ 14,814	$ 17,799	$ 10,850	$ 48,360
2005							
No. of Paid Vehicles	2,472	17,116	21,344	11,758	14,790	9,298	43,357
Average Toll Rate	$ 2.37	$ 2.13	$ 2.18	$ 2.08	$ 2.05	$ 2.00	$ 1.98
Total Revenue	$ 5,851	$ 36,530	$ 46,459	$ 24,493	$ 30,370	$ 18,559	$ 85,880
2006							
No. of Paid Vehicles	2,479	17,071	20,914	11,908	15,131	9,529	41,265
Average Toll Rate	$ 2.69	$ 2.44	$ 2.48	$ 2.41	$ 2.36	$ 2.29	$ 2.28
Total Revenue	$ 6,675	$ 41,579	$ 51,767	$ 28,686	$ 35,638	$ 21,839	$ 94,093
2007							
No. of Paid Vehicles	2,517	16,975	20,722	11,913	14,881	9,516	40,134
Average Toll Rate	$ 3.94	$ 3.69	$ 3.73	$ 3.64	$ 3.60	$ 3.54	$ 3.53
Total Revenue	$ 9,906	$ 62,638	$ 77,320	$ 43,401	$ 53,621	$ 33,662	$ 141,807
2008							
No. of Paid Vehicles	2,366	17,440	19,875	11,782	14,358	9,194	39,555
Average Toll Rate	$ 4.46	$ 4.22	$ 4.29	$ 4.19	$ 4.15	$ 4.09	$ 4.08
Total Revenue	$ 10,545	$ 73,663	$ 85,226	$ 49,390	$ 59,628	$ 37,590	$ 161,335
2009							
No. of Paid Vehicles	2,208	17,426	19,441	11,542	13,629	8,708	40,118
Average Toll Rate	$ 4.46	$ 4.22	$ 4.28	$ 4.18	$ 4.14	$ 4.08	$ 4.07
Total Revenue	$ 9,849	$ 73,536	$ 83,122	$ 48,263	$ 56,451	$ 35,491	$ 163,425
2010							
No. of Paid Vehicles	2,136	17,715	19,057	11,752	14,058	8,746	38,649
Average Toll Rate	$ 4.45	$ 4.22	$ 4.28	$ 4.18	$ 4.15	$ 4.08	$ 4.08
Total Revenue	$ 9,499	$ 74,628	$ 81,502	$ 49,085	$ 58,243	$ 35,674	$ 157,455
2011							
No. of Paid Vehicles	2,118	17,987	19,593	11,987	15,209	9,634	43,282
Average Toll Rate	$ 5.23	$ 5.13	$ 5.15	$ 5.09	$ 4.94	$ 4.86	$ 4.86
Total Revenue	$ 11,081	$ 92,268	$ 100,918	$ 61,058	$ 75,064	$ 46,782	$ 210,190

Metropolitan Transportation Commission
Ratios of General Bonded Debt Outstanding (unaudited)
By Fiscal Year

Table 10

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Toll Revenue	Per Toll Vehicle
2002	$ 400,000,000	$ -	$ 400,000,000	$ 142,337,259	$ 3
2003	700,000,000	-	700,000,000	144,199,876	5
2004	700,000,000	-	700,000,000	145,176,202	5
2005	1,000,000,000	-	1,000,000,000	248,140,901	8
2006	3,143,420,000	24,148,268	3,119,271,732	280,276,856	24
2007	3,863,250,000	24,148,268	3,839,101,732	422,354,852	30
2008	4,328,390,000	238,449,821	4,089,940,179	477,377,104	32
2009	4,338,155,000	282,727,772	4,055,427,228	470,136,376	32
2010	5,595,125,000	358,975,732	5,236,149,268	466,085,582	42
2011	7,943,135,000	456,507,625	7,486,627,375	597,361,947	61

Note:
No debt prior to 2002.

Metropolitan Transportation Commission
Pledged-Revenue Coverage (unaudited)
By Fiscal Year

Table 11

	Toll Revenue Bonds					
				Debt Service		
Fiscal Year	Toll Revenue	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2002	$ 142,337,259	$ 32,433,627	$ 109,903,632	$ -	$ 13,357,928	8
2003	144,199,876	38,836,593	105,363,283	-	20,440,983	5
2004	145,176,202	48,028,344	97,147,858	-	26,663,420	4
2005	248,140,901	54,371,891	193,769,010	-	35,373,668	5
2006	280,276,856	81,589,254	198,687,602	5,785,000	63,146,496	3
2007	422,354,852	100,926,883	321,427,969	29,705,000	131,438,684	2
2008	477,377,104	101,090,539	376,286,565	42,620,000	191,859,414	2
2009	470,136,376	101,572,555	368,563,821	40,865,000	197,742,351	2
2010	466,085,582	105,760,787	360,324,795	35,345,000	224,821,145	1
2011	597,361,947	117,390,258	479,971,689	36,990,000	395,620,828	1

Metropolitan Transportation Commission
Miscellaneous Statistics (unaudited)
June 30, 2011 — Table 12

Date of Incorporation		1970
Form of Government		Commissioners with Appointed Executive Director
Number of Commissioners		16 Voting and 3 Non-Voting Members
Number of Employees (Approved Positions)		166
Type of Tax Support		3.5 % of TDA Sales Tax
Region in Which Commission Operates		San Francisco Bay Area San Jose, San Francisco & Oakland Combined Statistical Area including San Benito & Santa Cruz
Number of Counties in the Region		9
Area of Authority in Square Miles		6,980
Population of Region in Which Commission Operates		7,150,739
Number of Toll Bridges in the Region		8
Traffic for All Toll Bridges - Number of Vehicles (excluding Golden Gate Bridge, Highway and Transportation District)		122,183,169
Toll Revenues (excluding Golden Gate Bridge, Highway and Transportation District)	$	597,361,947
Number of Call Boxes in the Region		2,345

Metropolitan Transportation Commission
Demographic Statistics for Nine San Francisco Bay Area Counties (unaudited)
Last Ten Calendar Years — Table 13

Year	Population[1]	Per Capita Income[2, 5]	Median Age[2, 5]	School Enrollment[3]	Unemployment Rate[4]
2001	6,861,500	N/A	N/A	980,475	4.06%
2002	6,936,700	N/A	N/A	972,766	6.47%
2003	6,994,500	N/A	N/A	976,025	6.46%
2004	7,009,400	N/A	N/A	974,281	5.30%
2005	7,096,575	N/A	N/A	973,751	4.49%
2006	7,126,284	N/A	N/A	971,392	4.61%
2007	7,204,492	N/A	N/A	970,721	4.19%
2008	7,301,080	N/A	N/A	974,089	5.81%
2009	7,375,678	N/A	N/A	978,117	10.58%
2010	7,459,858	N/A	N/A	979,876	10.77%
2011	7,150,739	N/A	N/A	985,964	10.17%

Data Sources

1 State of California, Dept. of Finance, Demographic Research Unit

2 Bureau of Census

3 California Department of Education

4 State of California, Employment Development Department

5 Bureau of Census conducts survey every 10 years for the Median Age and Per Capita Income of the nine-county region as a whole.

NA - Not Available

Metropolitan Transportation Commission
Ten Largest Employers (unaudited)
Fiscal Years 2011 and 2010 — Table 14

	2011[1]		2010[2]		
Employer	**Employees**	**Rank**	**Employees**	**Employees**	**Rank**
Kaiser Permanente	28,120	1	Kaiser Permanente	42,123	1
City and County of San Francisco	26,721	2	City and County of San Francisco	27,802	2
University of California, Berkeley	21,437	3	University of California, San Francisco	23,478	3
University of California, San Francisco	20,445	4	University of California, Berkeley	22,277	4
State of California	18,063	5	State of California	18,201	5
Wells Fargo Bank	16,626	6	Wells Fargo Bank	16,558	6
Safeway Inc.	13,661	7	Safeway Inc.	14,561	7
Stanford University	11,911	8	U.S. Postal Service	11,623	8
U.S. Postal Service	10,813	9	Stanford University	9,070	9
Alameda County	8,882	10	Alameda County	9,000	10

Data Sources

[1]2011 Book of Lists, San Francisco Business Times

[2]2010 Book of Lists, San Francisco Business Times

Metropolitan Transportation Commission
Full-Time Equivalent Employees by Function (unaudited)
Last Ten Fiscal Years

Table 15

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Functions											
Governmental Activities											
General government	58	58	56	55	56	65	65	66	66	63	64
Transportation	58	58	59	59	58	68	68	67	67	67	67
Business-type Activities											
Toll bridge activities	8	8	9	9	10	30	30	33	33	33	34
Congestion relief	5	5	5	6	6	6	6	4	4	5	5
	129	129	129	129	130	169	169	170	170	168	170

Metropolitan Transportation Commission
Ratio of Retiree Medical Premium to Covered Payroll (unaudited)
By Fiscal Year — Table 16

Fiscal Year	Retiree Premiums	Covered Payroll*	% of Covered Payroll
2001	$ 99,109	$ 9,035,190	1.10%
2002	120,377	10,346,350	1.20%
2003	152,096	11,177,301	1.40%
2004	217,975	11,289,637	1.90%
2005	268,105	11,694,664	2.30%
2006	308,512	12,687,014	2.40%
2007	353,378	15,193,161	2.30%
2008	428,810	16,122,962	2.70%
2009	452,003	16,711,761	2.70%
2010	501,102	17,011,660	2.95%
2011	562,678	17,417,779	3.20%

* From MTC records